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THE ROLE OF A WEBSITE IN COMPANY MARKETING:
Innoventum Oy strategies for entering the Irish ICT market.

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<p>Title</p> <p>THE ROLE OF A WEBSITE IN COMPANY MARKETING: Innoventum Oy strategies for entering the Irish ICT market.</p> <p>Commissioned by <i>Case company Innoventum Oy</i></p>	
<p>Abstract</p> <p>The study examines the use of the internet in marketing a company. The aim of the research was to investigate the role of website/homepage in companies' marketing activities and the prerequisites with which companies select a designer for their homepage, so as to come up with a good marketing plan and an ideal entry strategy for the case company into the new and existing web designing markets.</p> <p>Companies were interviewed both in Finland and Ireland to collect data for the research and the data was then measured and analyzed statistically to arrive at a conclusion and to make an effective marketing decision. It was found that having a website/homepage is very important to companies' marketing activities. A large majority of companies design and maintain their homepage on a daily or weekly basis, setting a huge budget aside for it. Recommendation (words of mouth) was found to be the most effective marketing medium in the business, and company sizes of 1-5 people and 50 people and above appeared to be the potential target group, with the service sector more profitable than the manufacturing sector.</p> <p>The results of the study show that the ICT industry still has a lot of potential for web designers generally. As a result, the case company needs to adapt its marketing efforts and tailor its offers to the customers' specifications as found in the study in order to be successful in its marketing.</p>	
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CONTENTS

1	INTRODUCTION.....	1
1.1	Study Background	1
1.2	Company presentation (Innoventum Oy)	1
1.3	Ireland as a market area	2
1.4	Objective of the study.....	4
2	FRAMEWORK FOR ENTERING THE IRISH ICT MARKET	6
2.1	Entry modes	6
2.2	Products and services	11
2.3	Market.....	12
2.3.1	Business operations in Ireland	12
2.3.2	Registration of Company in Ireland	14
2.3.3	SME's in Ireland	15
2.4	Company.....	16
3	INTERNATIONAL MARKETING	18
3.1	The Irish ICT sector.....	18
3.2	The market competition.....	19
3.3	Innoventum Oy as a challenge	22
3.4	Product analysis	24
3.5	Services related to product offering	25
3.6	Pricing decisions.....	27
3.7	Pricing strategies	31
3.7.1	Pricing in International market.....	33
3.7.2	Problems in pricing	34
3.8	Selling in a B2B Market.....	35
3.8.1	Members of the buying centre.....	36
3.8.2	Six behavioural ways to identify the powerful.....	38
3.8.3	The buying Process in business markets	39
3.9	Negotiation strategies	41
3.9.1	The Irish Business Culture	44
3.9.2	The Irish Business Partner.....	46
3.10	Resources needed for the international market	47
3.11	Implementation plan.....	49
3.12	Marketing controls.....	50
4	METHODS	53
4.1	Research problems.....	53
4.2	Questionnaire.....	53
4.3	Data collection.....	54
4.4	Method of analyzing respondents answers	55
4.5	Validity and reliability of research results.....	56
4.6	Sample description	56
5	EMPIRICAL RESULTS	58
5.1	Importance of having a website to company's marketing activities	58
5.2	Purpose(s) the website serves the company	60
5.3	Aspect(s) given priority on the website	61
5.4	Criteria for selecting a web designing firm	63
5.5	Means through which companies contact web designing firms	64

5.6	Percentage of marketing based on the website	65
5.7	Thoughts about the growth and security of e-commerce in recent years	67
5.8	Uses of online video content on the website	68
5.9	Channel of distribution companies belong	69
5.10	Further explanations	70
6	CONCLUSIONS	73
6.1	Recommendations	74
6.2	Suggestions for future research	75
7	SUMMARY	77
	REFERENCES	78
	APPENDICES	82

APPENDICES

Appendix 1	Introduction letter
Appendix 2	Letter of Permission for research
Appendix 3	Questionnaire (1-4)
Appendix 4	Sample description
Appendix 5	Budgets for marketing on website/Crosstabulation (1-3)
Appendix 6	Channel of distribution
Appendix 7	Updating of website content/Crosstabulation (1-2)
Appendix 8	Customers response through the website/Crosstabulation
Appendix 9	Percentage of marketing based on website/internet/Crosstabulation
Appendix 10	Means of contacting web designing clients
Appendix 11	Thoughts about the growth and security of e-commerce
Appendix 12	Correlations (1-3)
Appendix 13	Map of the Republic of Ireland.

ABBREVIATIONS

BATNA	Best Alternative To Negotiated Agreement
BMW	Border Midland and Western region of Ireland
B2B	Business to Business
CMS	Content Management Systems
CRM	Customer Relationship Management
CRO	Companies Registration Office of Ireland
CSO	Central Statistics Office of Ireland
CV	Curriculum Vitae
DM	Digital Media
EDI	Electronic Data Interchange
EEA	European Economic Community
EFTA	European Free Trade Area
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
ICT	Information Communication and Technology
SE	Southern and Eastern region of Ireland
SEO	Search Engine Optimization
SME	Small and Medium Enterprise
R&D&I	Research and Development and Innovation

GLOSSARY

Clients *refers to* Companies

Participants *refers to* Respondents or Companies

Questionnaire *refers to* Statement

Respondents *refers to* Companies

Website *refers to* Homepage

Web designer *refers to* Website designer

Chi-square test *refers to* an analysis that examines an association between two variables.

Correlation refers to an analysis that shows similarities between two or more variables.

LIST OF FIGURES

Figure 1	Evaluation of political risks.....	10
Figure 2	Innoventum Oy product and service platform.....	11
Figure 3	Layers of product.....	24
Figure 4	Irish cultural continuums.....	44
Figure 5	Marketing controls.....	50
Figure 6	Importance of having a website to company's marketing activities.....	57
Figure 7	Purpose(s) the website serves a company.....	59
Figure 8	Aspect(s) given priority on the website.....	61
Figure 9	Criteria for selecting a web designing firm.....	62
Figure 10	Means of contacting a web designing firm.....	64
Figure 11	Percentage of marketing based on the website/internet.....	65

LIST OF TABLES

Table 1	Competitors categories.....	20
Table 2	SWOT analysis of Irish web designers.....	22
Table 3	The sources of power in B2B market.....	36
Table 4	The stages of buying process in B2B market.....	39
Table 5	Differences and similarities between Irish and Finnish negotiators.....	45
Table 6	Schedules for Internationalization process (The Gantt chart).....	48
Table 7	Methods of data collection.....	53
Table 8	Thoughts about the growth and security e-commerce.....	67
Table 9	Use of video content on the website.....	68
Table 10	Channel of distribution.....	69

1 INTRODUCTION

1.1 Study Background

The aim of this study is to find out the requirements for carrying out business in Ireland and to explore more marketing opportunities for business expansion in Finland. This will be done by collecting useful information from governmental agencies and companies alike in the republics of Ireland and Finland. Information will also be gathered by exploring the Irish business directory to check out competitors and potentials customers. All of this information put together with the theoretical knowledge obtained from selected literature will then be analyzed to arrive at a conclusion on which marketing policy it will be based.

Furthermore, the study includes the analysis of competitors to find out their strengths and to determine the competitive advantage for the case company, Innoventum Oy. Among the main tasks is to help the case company solve pricing problems for its products and services, with the adoption of a good pricing policy that best suits both the domestic and international markets. The entry strategy and time to enter the new market will also be determined, coupled with the provision of an effective marketing plan and control measures that will be drawn up to achieve the desired result.

In the end, a marketing strategy that includes the entry mode, pricing policy and marketing technique in the ICT industry will be provided, and a SWOT analysis would be performed to determine the strengths and weaknesses of the case company. These will help to gain insight into where Innoventum Oy can concentrate its resources and plan its marketing activities to have an edge over the major competitors in the market.

1.2 Company presentation (Innoventum Oy)

Innoventum Oy is a Finnish private and family owned company founded in 2001. The company is specialized in Information and Communication Technology (ICT), and its field of operation is developing user friendly web-based applications such as e-learning, online

shopping and live video streaming for companies, institutions and organizations alike. Its headquarters are in Joensuu and a branch office in Helsinki, Finland. Innoventum Oy has products that are suitable for different needs built on a highly flexible and efficient framework.

The company's goal is to be a leader in modern web technologies and web-based solutions, both in Finland and abroad. It is a small company that has a total number of six highly skilled and professional employees, all who have been involved in developing video streaming and e-learning tools and platforms for clients such as the European Union (EU), University of Eastern Finland (UEF), Joensuu, the City of Joensuu and numerous public companies. It also cooperates with companies within and outside Finland, for example, the Meath Partnership in Ireland.

Innoventum Oy has gained a foothold in the Finnish ICT market in some areas like Joensuu, Helsinki and Lahti with a turnover of between €150,000 and €200,000 in 2010 (Leinonen, 2010). The company is small in size, but its achievements and the big projects it has handled for large institutions and organizations around the EU has increased its ambition to expand its markets outside Finland. In view of this, the company is aiming to sell the Finnish innovations abroad and become an international company in the nearest future.

1.3 Ireland as a market area

The current development in Ireland has placed the country amongst the most attractive locations for business in Europe and the world at large (BOI 2011 & Matheson 2009, 2). The country is an EU member located at the North-West Europe and 20km from Great Britain. Ireland occupies a total area of 84,421sq km, from which Northern Ireland, a part of the United Kingdom, shares 14,139 sq km with a uniform climate across the country. The coldest period is January and February ranging between 4-7°C, while the warmest July and August ranges from 14-16°C. Ireland, which boasts a total population of about 4.2 million inhabitants, has enjoyed successive democratic government committed to promoting business in the country (UHY 2009, 4). As a result, the government provided a lot of investment attractions for foreigners and indigenous investors alike. About 1,500 companies from around the world have chosen Ireland as a business base, because of her suitable location for business with high

infrastructures that are up to the world standards, a good taxation policy, flexible business legislation, a highly skilled and industrially oriented young workforce that constituted 40% of the entire population, competitive operation costs and strategic business sites across the country (UHY 2009, 1-7).

The government has additionally been supportive of inward investments providing funds and grants for start-ups, small and medium sized companies (SME's) depending on their locations and line of business. The government also supports research and development and innovation (R&D&I). Between 2000-2006, the government spent a massive amount of €2.48 billion on R&D&I in the field of life sciences, medical technology, and software and information technology as a policy to ensure that the country attains the highest level of knowledge-based economies in the world ranking (UHY 2009, 12 & Matheson 2009, 5-6). These are the major reasons why most of the world giant industries and companies pile their trade in Ireland.

The targeted sectors for foreign investors in the country has always been chemicals and pharmaceuticals, e-commerce, information and communications technology, software, internationally traded services, including financial services, call centres and shared services centres and medical devices (UHY 2009, 7). The ICT industry is one of the most enriched sectors and major contributor to the growth of the country. More than 300 of the world's leading electronic companies have their base in the country, especially companies engaging in wafer design and fabrication, components and peripherals to communications, networks and software (UHY 2009, 7). It is no surprise that Ireland has been able to transform to an information and knowledge society of recent.

Although exports have been the major contributor to the Irish economy, the continuous growth in e-commerce cannot be underestimated. The availability of unlimited connectivity to other parts of the world has developed the country into a significant hub of e-business. To ensure safe business transaction, the government put in place the Electronic Commerce Act that regulates electronic signatures and certification authorities which include contracts, writing signatures, seals and their paper-based counterparts under the Irish law that came to effect in July 2010. Ireland is also a safe place for the protection of intellectual property, and at the same time a lucrative opportunity for companies who license their intellectual properties to

third parties (UHY 2009, 11-12). Such companies have the advantage of a corporate tax as low as 12.5%, provided there is good operation management and control policy, and the royalty income is related to Irish activity. Digital Media (DM) activity is a new emerging sector in Ireland which has become a key area in the international services sector. This sector includes content production, web design, digital video, data management, industrial design, telecommunications, e-learning and internet service providers (UHY 2009, 13).

The investments of both government and private sectors created a suitable environment for DM activities, which has led three of the world giant internet companies (Google, eBay & Overture) to announce their ambitions of establishing a base in Ireland (UHY 2009, 13). Ireland might look very small as a geographical area for business in the world, but the level of industrialization with their EU membership and a committed government make it a booming and attractive business environment. In addition, the location of Ireland on the western edge of Europe offers investors huge opportunities to access a readymade market of more than 456 million people in the world (UHY 2009, 10).

1.4 Objective of the study

The purpose of the study is to examine the internationalization process of a Finnish SME, Innoventum Oy, by exploring the potentials of the Irish ICT market. The company is stimulated by its commitment in international marketing that helped it execute many projects for the European Union on the shores of Ireland. The company discovered there is the wherewithal to expand its operation beyond the domestic market due to the success achieved in the projects. Therefore, Ireland was chosen as the target market because of several EU projects, which references can be made to, besides partnering (Meath partnership) with a local company that can facilitate the internationalization process.

The study was approached by finding the requirements for entering the Irish ICT market; to find out who the competitors are and to develop an effective market plan and strategies for a successful entry. To get the desired result, information was collected from reliable sources, for example, The Central Statistics Office of Ireland (CSO), The Companies Registration Office Ireland (CRO) among others, in order to get the true picture of the ICT market and find out

business registration criteria in the country. Furthermore, a questionnaire was designed and distributed both in Finland and Ireland to determine the role of websites in company marketing, and the criteria for choosing a company to web designers which will help the case company adapt its offerings to companies' demand to enter the Irish ICT market successfully.

The study is aimed at knowing how clients want the structure and layout of their website to be designed, how often websites are updated, how much companies spend in creating a website, which segment (small, medium or large firms) have the best potentials to target, and which regions offers the best opportunities, and to explore more market opportunities in Finland. The areas of interest of this study also include knowing the strength and weakness of the competitors and the price range of their products and services, so as to have the idea of setting an ideal price for the international market, as pricing is one of the challenges facing Innoventum Oy. Several market entry options were explored with the advantages and disadvantages of each option clearly stated. The present state of the Irish economy that has yet to recover from the 2008 global financial crisis was then examined to determine how and when the best time to enter the market is.

The information gathered from various aspects of the designed questionnaire and its analysis will lead to the formulation of marketing plans and policies for Innoventum Oy. However, the company will not be limited to certain entry options and strategies as the modern day market is rapidly changing. The study is aimed at providing wider options from which the company can choose the most suitable for its ambition. Whatever option the company eventually chose will be sufficient for its operation in the market, as all the options are built on modern marketing practices. Nevertheless, there can also be synergies between the options based on the dynamism of marketing, not forgetting to mention the unpredictability of customers and market conditions.

2 FRAMEWORK FOR ENTERING THE IRISH ICT MARKET

2.1 Entry modes

As the world is becoming globalized through the aid of technology, businesses and transactions are continuing to be done without boundary restrictions with free movements of goods and services that have enhanced economic growth and cooperation between countries. This has also led to the formation of different economic organizations to aid trade between countries, regions, continents and companies within certain geographical areas, for example, the EU, EEA, EFTA and others (Cateora and Graham 1999, 2). The emergence of these economic organizations has given an advantage to small companies as well as larger big ones, as costs are waived for companies who have their places of business in member nations to facilitate business.

The targets of firms are now beyond the domestic market. The local market is becoming too small for firms because of the need to cover costs, coupled with the fact that product lifecycle is on the verge of decline and market share is no longer increasing. In order to tackle these problems, companies begin to look elsewhere finding new market areas with a lot of potential, where their products or services could fit into. The motives behind this movement could either be stimuli for international experimentation, active international involvement or committed international involvement (Stone and McCall 2004, 28). In view of this, companies have been making huge efforts in carrying out researches and investing in international marketing to gather useful information for making their marketing decisions.

There are several modes of entry into an international market, for example, franchising, contracting, licensing, exporting, agent and sales representative, distributor, joint venture, strategic alliance and foreign direct investment (FDI), depending on the market condition and the nature of goods involved (Stone and McCall 2004, 203-207). Some of these modes of entry are only peculiar to manufacturing companies and not service ones, for example, exporting, licensing, and agent and sales representative etc. However, the entry modes that are relevant to the case company (Innoventum Oy) will further be discussed to hit the nail on the head. Their various advantages and disadvantages will also be highlighted to give the case

company several entry options with deep insight into the nooks and crannies of each modes. Therefore, Innoventum Oy as a small firm and service oriented company can enter the Irish ICT market through one of the following modes.

Direct Investment: A firm intending to embark on international marketing can enter the market through direct foreign investment (FDI). This can take the form of opening a branch or establishing a subsidiary to expand its operations abroad. It might be capital intensive to adopt this mode but an independent decision is assured, which is always good for a private individual company as it runs its own affairs without any external influence. Opening a branch means that the company going across the border is using the same business name and carrying out the same activities as it is in the domestic market where the head office is situated. A subsidiary (foreign sales subsidiary) on the other hand means that the company can have a different name abroad and be operating in different line of business with different management, but accountable to the parent company at the end. This is a good method as the parent company will not be taxed in its home country for its revenue from abroad, if it is operating in a low business income tax country until profit is repatriated to the parent company's account (Albaum and Duerr 2008, 326-327). Below are the advantages and disadvantages of opening a branch or establishing a subsidiary abroad:

Advantages

- Good knowledge of local market.
- Full ownership and control of the business (subsidiary requires a separate management).
- Application of personal skill (no interference).
- Wholly owned profit.

Disadvantages

- Too capital intensive as it require movement of resources to an entirely new environment.
- Requires more commitment and effort and

- Bearing all the risks alone.

Joint Venture: A joint venture occurs when two or more separate business entities or individual put their resources together in cooperation to establish and run a business. A partnership also falls under this entry mode. It can be horizontal (companies in the same line of business), vertical (companies in different lines of business) or a conglomerate (Stone and McCall 2004, 206), depending on the situation that arises and the interest of the stakeholders. It becomes ideal to have a joint venture when a firm cannot act successfully in a market area alone, as a result of large competition and huge cost which the company cannot singularly bear. In addition, the policies of the host country also play a large role in the entry strategy of a company into an international market. Innoventum Oy can use the modes with its already existing partner (the Meath partnership) in the Irish market for easy entry.

Advantages

- Combination of resources and know-how.
- Risks sharing between partners.
- Cheaper than direct investment as a result of part and not a whole contribution of capital.
- Having a view of domestic company.
- Reduce the burden of ownership and cultural differences.
- Provide opportunities for learning and spillover effect.

Disadvantages

- Conflict of interest and goals of the parties.
- Difficult to manage and control.
- Revelation of company's secret to partners.
- Partners can eventually become competitors.
- Withdrawal of a partner can jeopardize business.

Strategic Alliance: A strategic alliance happens when companies that can compete or complement each other enter into a business agreement for a specified period of time with the contribution of know-how, technology and market access to form a strong business entity, for example, Coca-cola and MacDonald's (Stone and McCall 2004, 207). A joint venture is somehow similar to strategic alliance. It is formed to enhance the long-term goal and competitiveness of the partner's alliance.

Advantages

- Contribution of core competencies by different independent firms to achieve marketing objectives.
- It is inexpensive to set up in the sense that resources are contributed by the parties involved.
- Ability to stand competition from anywhere and long term orientation.
- Create efficiency through economies of scales and specialization.
- Creation of powerful learning opportunities.

Disadvantages

- Risk of information sharing between firms.
- Not easy to manage.
- Differences in business cultures and company objectives.
- Risk of interference in partners private business affairs.
- Deviation from company's mission and goals.

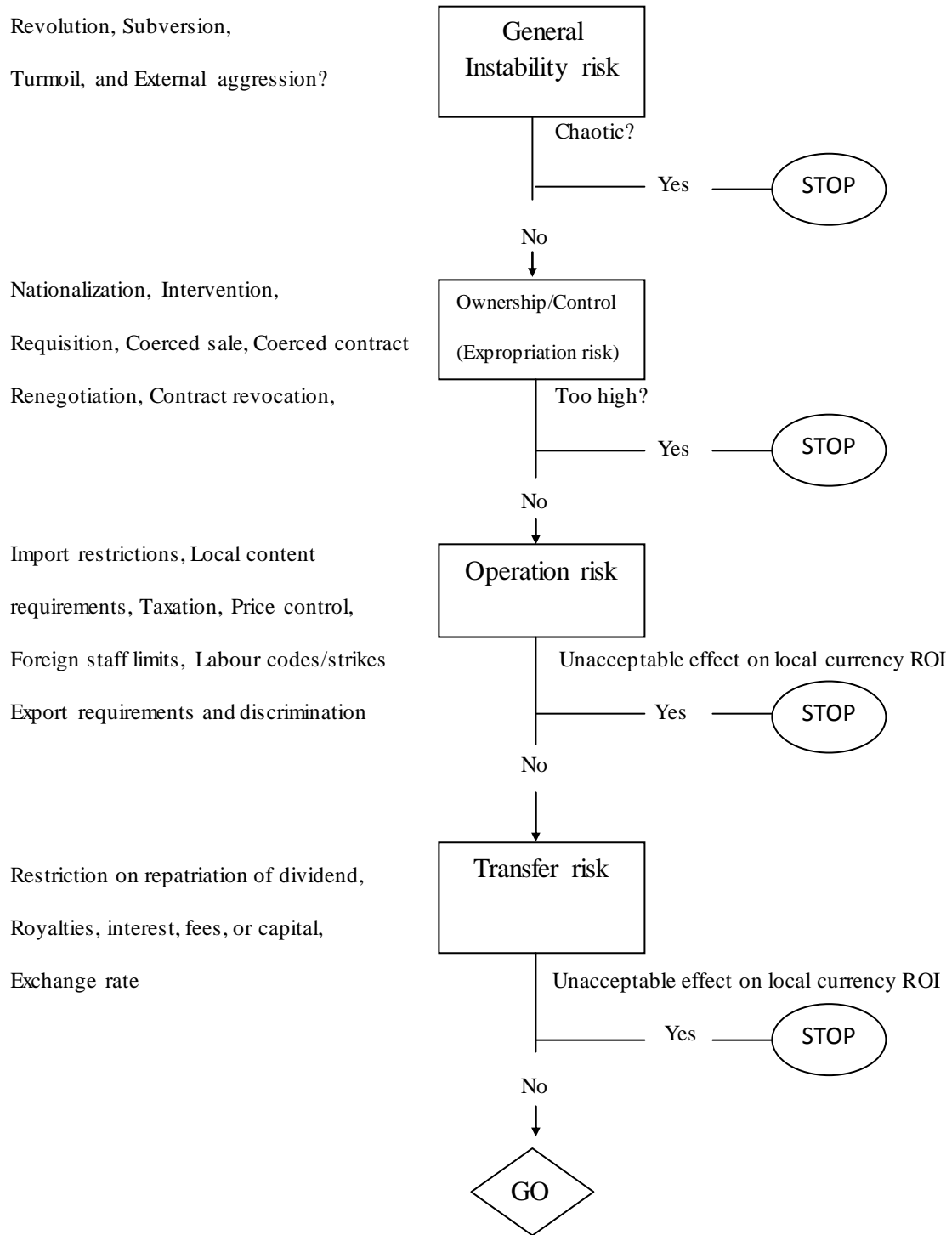


Figure 1. Evaluation of political risk

(Source: International Marketing and Export Management, Albaum and Duerr 2008)

Figure 1 illustrates the conditions for entering an international market. Before a firm embarks on internationalization, it is always good to examine the requirements and the conditions of

the market rather than concentrate on the potentials alone. A market might be full of potential and seemingly profitable, but when the feasibility study of entering it is done, it might appear to be more expensive and difficult than the profit a company intends to gain from it. Figure 1 shows step by step what to do at certain stages of the internationalization process if a problem or difficulty is encountered or there is the need to progress to the next stage. For example, if there are risks of instability, ownership and control, operation and transfer risks, the process should be stopped or put on hold so that the company will not put itself into problems that will eventually results into a great loss. However, if all the stages are risks free, the company is free to go ahead to the next stage till the process is completed.

2.2 Products and services

Innoventum Oy offers varieties of products and services for both enterprises and communities alike. As an IT company, its main product is website design. It registers domains for clients on *www.dhydro.com* with the use of iCMS 3.0 Content Management System. The ICMS is a platform that allows users to create an unlimited number of main pages and subpages moving them in the structure tree in drag and drop fashion (Innoventum 2009, 1-6). The company designs the visual outlooks and structures of the website customized to customers taste in affordable and competitive prices. It services include updating of web content, hosting, webcasting services that allows clients to show videos of their activities to customers and follow their events online.

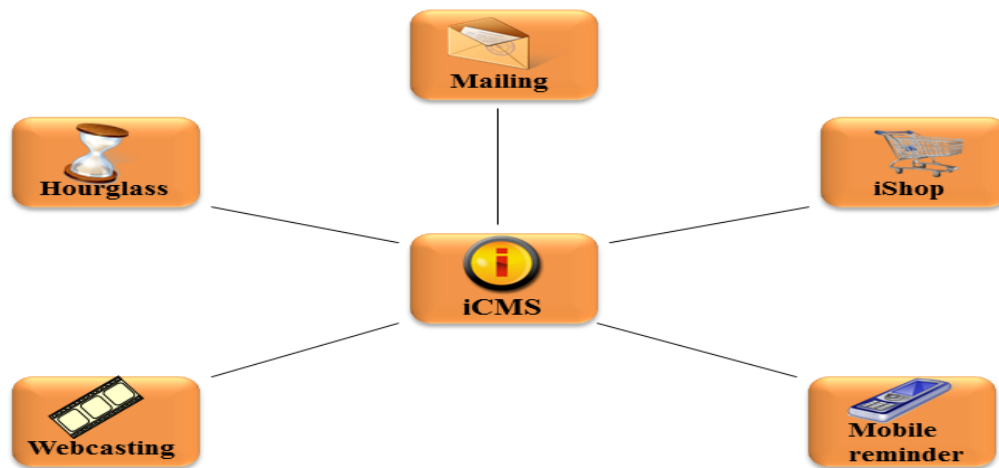


Figure 2. Innoventum Oy product and service platform

(Source: www.innoventum.fi)

Other services are expansion which includes customer relationship management (CRM) system for companies, ICMS Web Store, mobile reminder for SMS messaging and other developmental work (www.innoventum.fi, 2010).

2.3 Market

2.3.1 Business operations in Ireland

Much has been said about Ireland being an industrialized economy, which is evident in the flow of FDI into the country and the government's ever ready helping hand to support companies and welcome investors into the country. However, a company aiming to enter the Irish market will have to register a business with the Companies' Registration Office (CRO) to operate legally in Ireland (CRO 2008, 1-4 & Matheson 2009, 7-9 et al.). Business can be operated in two different forms in Ireland. The first is an incorporated body whose operation is separated from its ownership and has the right to sue and being sued in the court of law, e.g. private or public limited company and an unlimited company. The other form is an unincorporated body which is run by the owners, for example, sole proprietorship and partnership (CRO 2008, 1-4 & UHY 2009, 9-17 et al.).

A private limited company, whose liability is limited to the amount of share capital contributed by members, is the most common form of business in Ireland. To be able to carry on business as a private limited company, the maximum number of people must not exceed 50 with a minimum of one person. Its shares are not transferable or traded in public, and the entity must add the word “limited” either in full or the abbreviated form “Ltd” in front of the business name. Private limited companies are also required to provide a “memorandum of association”, which governs the company with the outside world and “articles of association” that regulates the internal affairs of the company (UHY 2009, 14-17 & CRO 2008, 1-4 et al.). Companies are also required to have at least two directors that will act in good faith and according to constitution. These directors are responsible for running the daily activities of the company, organizing meetings and approving the financial statements of the company.

Business can be carried out in the form of partnership whether general or limited partnership according to the Partnership Act 1890 and Limited Partnership Act 1907 respectively (BDO International 2006, 9-12 & CRO 2008, 1-4). Partnership can exist between individuals and companies or between companies, and the business name must be registered with the registrar of business together with a filing of its account for public record. As a result, Ireland is an open economy that allows foreign companies to operate in the country as a start up or through a branch. However, such a company must have a separate management, the ability to negotiate contracts independently and must be financially buoyant as stated by the Irish company law (BDO International 2006, 9-12 & CRO 2008, 1-4).

As EU regulations are binding on local companies, they also bind foreign companies to provide their basic information, such as date of incorporation of the company, the country of incorporation, the address of the company’s registered office, details of directors of the company, the name and address of the person responsible for the branch’s operation, the company’s constitution and certificate of incorporation with audited accounts must be filed with the registrar of companies when registering a company. After the submission of these documents, the registrar of companies will then issue a certificate of registration to the branch, thereby marking the commencement of business operations (CRO 2008, 1-4).

2.3.2 Registration of Company in Ireland

As mention earlier, all business are to be registered with the Companies Registration Office (CRO) as stated by the Irish law, whether the company is a branch or start up. The CRO, open on weekdays between 9.30am and 4.30pm, is responsible for incorporation of companies' registration of business names, registration of company post-incorporation documentation, registration of changes in business name particulars, enforcement, prosecution and striking companies off the register as well as provision of information to the public (CRO 2008, 1-4). According to the registration of business names act 1963, an individual, corporate body and partnership whose names are all different from their business name, for example, "Janne Web design services" and not "Janne Leinonen" are allowed to register a business name with the registrar of companies, besides having a place of business in the state where it operates (CRO 2008, 1-4).

The registration process starts by submitting an application either online (www.cro.ie) or by hand within a month of choosing the business. The forms to be filled include RBN1 for an individual, RBN1A for a partnership and RBN1B for a corporate body depending on the form of business. Checking the availability of names is done personally and not by the CRO before incurring expenses on a name that might possibly have been registered before (CRO 2008, 1-4). Therefore, an entity intending to register a business should do the checking personally online or visit the CRO's office. However, a non-EU or EEA membership entity intending to register a business in Ireland will need to get permission of the Minister for Justice, Equality and Law Reform before doing so (CRO 2008, 1-4). It means that a name must be finally approved before business is carried out under it after all conditions have been met.

The registration fee cost €40 for paper applications and €20 for electronic applications (online through CRO website registration site, www.cro.ie). The normal registration period is within three weeks after the filing of necessary documents, but express registration takes five days, only with extra fees. A certificate of registration is issued after registration which is expected to be displayed at a strategic in the place of business and duplicates in other branches of the business (CRO 2008, 1-4). The names of owners of the business, directors and their nationality must be mentioned clearly in all correspondents of the company in addition to the legal form of the company, for example, PLC, place of registration e.g. registered in Dublin,

Ireland, registered number i.e. number of certificate of incorporation, address of the registered office, and if the share capital of a company is mentioned in the business letter and other forms, the reference must be to the paid-up share capital (CRO 2008, 1-4).

In the case of changing the particulars of the business, the following documents are needed: RBN2 for an individual, RBN2A for a partnership, RBN2B for a body corporate are to be filled free of charge online or total charges of €15 is paid when done on paper. When the business is closing down, an RBN3 form must be filled in free of charge either online or on paper, with the signature of a representative in the event of an individual, partners in partnership companies and director or liquidator in corporate bodies (CRO 2008, 1-4). Duplicates of the registration certificate can be obtained online from CRO website for public use, for example, revenue commissioners through the e-mail address provided by entities. A certified true copy can also be obtained from the CRO either by post or calling their office with an appropriate fee of €12 (CRO 2008, 1-4).

Above all, it is advisable to do online registration because of the speed, as it goes directly to the database of the CRO, whereas filling in papers takes extra time. Moreover, online registration (€20) is cheaper than paper registration (€40) because of the easiness and time consumption in gathering of papers. After completing the form online, the entity will receive a signature page, which has to be printed, signed and returned with other documents to the CRO before registration certificate is issued (CRO 2008, 1-4). Finally, care must be taken when filling the form to make sure that correct information is given, so that there will be no return of documents for correction that can result in delays of the registration process.

2.3.3 SME's in Ireland

Small and Medium sized enterprises are important drivers of the Irish economy. As a result, they are given some preferential treatments to enable them develop to large firms and provide employment for citizens of the country. SME's have been contributing immensely to the economy of the country, starting from generating income for the government through taxes and encouraging innovation to providing attractions for potential investors in the country. SME's are found in both the industrial and service sectors of the Irish economy (CSO 2008, 5-

56). However, the number of small enterprises in the industrial sector is not as much as that of the service sector.

According to the survey carried out by the Central Statistics Office of Ireland (CSO) in 2004, 95% of small industrial firms are Irish owned, and four out of every five industrial enterprises (82%) were small firms employing less than 50 people (CSO 2008, 5-6). Small firms in the industrial sector employed 53,000 people, just a bit lower than a quarter of the total industrial employment. Contrarily, in the service sector 98% were small businesses employing over 400,000 people, a figure which is more than half of the total employment in the sector. There are almost 83,000 small businesses in the service sector of which half (47%) are family owned, employing less than 10 people (CSO 2008, 5-6). These small businesses generated 52% of the overall turnover in the services sector that was worth below €74 billion. Small work places with less than 50 workers employed 1,262,900 people (60%). Almost 200,000 non-Irish Nationals were employed in the second quarter of 2006 and more than half (55%) of this figure worked in small enterprises (CSO 2008). Moreover, the gross value added per employee of foreign owned SME's were higher than that of the Irish owned (CSO 2007, 10).

In 2004, small enterprises paid an average salary of €30,280, medium sized enterprises (50-249 people) paid average of €33,308 per employee while large enterprises (250 or more persons engaged) paid an average of €39,594 per employee. Small and medium sized enterprises in Ireland generated a large amount of share in the 2004 total turnover compared to their EU counterparts in the services sector (CSO 2008, 63-67). Based on these facts, it is not an overstatement to say that small and medium sized businesses are vital parts of the Irish economy irrespective of their ownerships' nationality. That is why the government is trying its best to provide a good business atmosphere for the SME's by putting in place incentives and financial aids to help their business grow.

2.4 Company

Largeness does not always determine the success of a company. This is in large part thanks to the emergence of internet marketing, which made it easier for SME's to compete with big firms, as the main target of internet customers is whoever gives the best offers and not the

company size (Albaum and Duerr 2008, 335-336 & Kotler and Armstrong 2001, 228-231). The smallness of Innoventum Oy can be pivotal to its success if it gives competitive offers and is able to differentiate its offerings from those of competitors. In addition, it has small costs to cover and might record huge investment returns depending on the effectiveness of its marketing and efficiency of its staff. The proposed marketing activities for the new market are further discussed in the next chapter.

3 INTERNATIONAL MARKETING

3.1 The Irish ICT sector

Ireland's ambition to develop into an information society is increasing at a faster rate. The growth in the ICT sector has been outstanding in recent years, surpassing the EU27 average in member nations. According to the survey carried out in 2007, more than 82,700 (9%) people were employed in the ICT industry. The turnover of the whole ICT (manufacturing and services) increased from €53.3 billion to €63.3 billion with 29% increase in gross value added from €14.7 billion in 2004 to €19 billion in 2005. These figures represent 22% of total turnover and 23% of gross added value in the ICT sector only (CSO 2007, 5-11).

Almost all enterprises (manufacturing, construction and services) access the internet in Ireland in 2007. From these industries, about 64% have a website or homepage, while 82% and 68% of the enterprises used the internet to obtain and return forms from public authorities, respectively (CSO 2007, 5-11). About 55% of enterprises purchased from the internet or electronic data interchange (EDI) during the year, while only 27% of the overall enterprises made sales through the internet. The most common sales made from the internet come from holiday and travels, followed by ticketing and film and music firms (CSO 2008, 68).

Over 65% (998,000) of households had at least a computer at home, of which 87% were connected to the internet. The figure varies according to regions within the country. In the southern and eastern regions (SE), 68% of households have a computer. Out of this figure, 57% were connected to the internet. In the border, midland and western regions (BMW), 58% of households owned a computer. From the figure, about two third of persons between age 16-24 and 18% of people between ages 65-74 accessed the internet in 2007 (CSO 2007, 29-31). Nearly 1.15 million people access the internet on a daily basis, while 396,000 used the internet at least once a week. From the entire figures, the number of broadband internet usage has grown in enterprises from 61% in 2006 to 68% in 2007. About 31% of the households had a broadband compared to 13% in 2006, and regionally 15% and 37% used broadband in BMW and SE respectively (CSO 2007, 29-31).

If the figures are broken down based on nationality of ownership of Irish ICT firms, 69% of the ICT manufacturing were Irish owned employing 3,400 workers in 2005, when the 39% foreign owned companies employed 24,500 people during the same period. In the service sector, 94% are Irish owned enterprises employing 30,600 people, while foreign owned employed 24,200 with 83 persons involved in each enterprise compared to 7 persons of Irish owned enterprises. All these figures put together outnumbered the EU27 average during the same period (CSO 2007, 9-11). Around 57% of Irish households used the internet in 2007 compared to 54% of the EU27. Among those who have internet access at home, 54% use broadband compared to 77% of the EU27, while 68% of enterprises used the broadband compared to the EU27 average of 77% (CSO 2007, 51-57). This trend indicates the rapid growth rate of ICT and its exceptional contribution to the growth of the economy.

3.2 The market competition

Competition is like the nucleus of the modern day business. Imagine a situation whereby there is a single firm marketing and selling products or services to millions of customers. Customers will always find themselves at the mercy of such a firm, as it will dictate what the market sells and what the consumers consume. As a result, there will be no innovation in the style and fashion of products and services leading to customer dissatisfaction and a lack of development in the economy, because the same products or services are consumed all the time. The availability of competition rescues customers from exploitation by marketers and provides varieties of choice coupled with good price and valuable options (Kotler and Armstrong 2001, 665-666). Competition makes companies struggle to produce the best for the market, seeking the best position in the market and gaining a larger share of the market spoils.

Competition is to the advantage of customers on one hand, having multiple firms to produce their single wants in different styles. On the other hand, it is also to the advantage of firms enabling them to innovate and invent new products or services to the market at intervals, finding how to satisfy customers in the best way, creating a developmental advantage for the government and the economy on a larger scale. That is why governments always encourage competition and support it in the best interest of all the market players. However, unhealthy competition is very dangerous especially to firms, as it make companies act as rivals in the

market. Governments also kick against it by putting in place strict measures to curb the unethical business activities of firms. All these are what marketers must understand before venturing into a new market.

In a highly competitive market, a firm that wants to succeed and stand the test of time should find a part of market (segment) or group of customers (niche), who have not been targeted or poorly served by competitors to tailor its goods to (Kotler and Armstrong 2001, 244-247). The Irish ICT market is highly competitive. It consists of companies who have highly sophisticated technology to help start ups and existing companies reach the masses with very attracting means of advertisements. It will be very tough competing in this market unless a company intending to enter the market looks for a segment or niche to target. Most of the web developers have previous project portfolios for customers on their homepage, sophisticated software like web traffic analysis, virtual tours, bid support, web page styles e.g. starter, brochures and full e-commerce websites and fully interactive database driven websites, to mention but a few.

In fact, the competitor's websites are very appealing to customers and it is very informative to the extent that some of the companies listed on its website the criteria for selecting web designers. To have a glimpse of how the companies look like, they are categorized based on the services they offered and how informative and attractive their sites are;

Table 1. Competitor's categories

S/N	Companies	Services & Products	Criteria	Category	Location
1	Basic Creative, The Flex studio	Web site & Brand development, 3D Animation & Visual effect, Real estate software	Attractiveness, informative, Innovativeness & creativity, User-driven	A	Dublin
2	Active Web Design, Nevada, Dara Creative, Active Online, Web Press, Flo Web Design.	Android, Research and Brand Positioning, Name and Brand Identity Development, Flash Animation Design, Streaming Video Integration, social networking	Well defined packages, Analysis,	B	Dublin, Meath
3	Web Together, Irish Web Developers, Silver Lining, Innovative Options, Aquaweb.	CMS, SEO, E-commerce, Intranet solution	Web Design (upgrade & maintenance), Extra services,	C	Dublin, Meath.

Table 1 presents a clear view of the different categories of competing companies in the Irish web designers market. The companies are divided into three groups based on their products and services and the areas where they are located. This is aimed at helping Innoventum Oy select a particular category to compete with, besides positioning itself well in the market. Category A companies occupied the top position simply because of their attractiveness, innovativeness and creativity. Category B companies offer well-defined packages, e.g. starter, brochure, e-commerce and interactive web design styles. They also have research, brand positioning and social networking services, among others. The category C companies have basic web design services like CMS, SEO, e-commerce, consultancy, hosting and software (virtual tour & booking system) that enable web users to have a visual look of company

offerings before making their bookings. However, this categorization does not mean that the services or products of one category cannot be found in the other one. Rather, it shows the differences in the service offerings of the competitors.

3.3 Innoventum Oy as a challenge

The competitive nature of the Irish web designer's market does not mean that Innoventum Oy cannot enter the market successfully. In a market, there are always customers (niche) who have not been targeted or well served. To be able to stand the market competition, Innoventum Oy needs to come up with products and services that match those of the competitors and offer them in a distinctive way. In addition, the current page of the company has to be attractive and as informative as possible, while additionally being user driven, e.g. with a portfolio of past projects so that customers can have a look on what Innoventum Oy has been up to. Sometimes the kind of clients marketers are serving even sells them more to other customers. Innoventum Oy can use the influence of its relationship with the EU and Meath Partnership in Ireland to penetrate the market.

CASE STUDY 1.0 Word of mouth sells you more.

Helena Palviainen has worked in Lahti city museum for 15 years as a museum caretaker before getting a job in Carelicum, Joensuu due to her vast experience in museum handling. For several museum projects she has handled, she used to work with Satukala Graphic Design, a specialist in designing graphics for cosmetics, newspapers and museums etc. located in Helsinki, Finland. When Carelicum was to be renovated in 2009 to have a new look, Helena did not hesitate to recommend Satukala Graphic Design, who won the contract among others all the way from Helsinki. The good working relationship and nice services enjoyed by Helena all her period in Lahti city museum easily won Satukala a new client (Carelicum) she might have struggled to get with lots of time that will be spent on bidding for the project...

Adapted from the interview done with Helen Parviainen in 2011.

Nevertheless, Innoventum Oy also needs good positioning in order not to be seen as a weak competitor. How this can be better done depends on the effectiveness of product and service offerings assisted with good marketing techniques. The company can still gain its own share of the Irish web designers' market through its innovative ability to introduce new packages at the best price in good quality and value for clients. One good advantage the company could use is price, but it is not always good for firms to offer prices that are too cheap, as prices are not easy to raise, especially when elastic products and services are involved. Price often positions companies in the minds of customers that spend expensively for the highest quality (Kotler and Armstrong 2001, 412-413). They consider products or services that are too cheap as low quality and valueless.

Here, the idea of market segmentation and product line comes in. In as much as there are customers who are willing to pay more, Innoventum Oy should identify this class of customers and tailor its offerings to their taste or offer different products with similar features for different classes of customers based on their power of purchase. However, one of the best strategies of entering a market using the price is the penetration strategy and adopting a followership method. This strategy holds that a firm offers the same products like that of competitors but with little difference in price, for example, *"same for less"* as Kotler and Armstrong (2001) argued. A company can also offer *"more for same"*, which is one of the best strategies to counter competition. The only thing in this is that the firm should do it carefully and in style, so as not to face unhealthy competitions from other marketers, who can easily afford to cut their prices to keep their market share.

Table 2. SWOT analysis of Innoventum Oy

Strengths	Weakness
<ul style="list-style-type: none"> • Meath partnership on EU projects. • Experience of serving SME's 	<ul style="list-style-type: none"> • Newness to market and lack of same offering. • Company size
Opportunities	Threats
<ul style="list-style-type: none"> • Low budgeted companies • Presence of many SME's • Event organizers, Travel & Tours agencies, Public Authorities. 	<ul style="list-style-type: none"> • Unhealthy competition • Protectionism

Most of the competing firms are located in the Dublin and Meath regions of Ireland, which are the target markets for the case company. However, if it appears that it will be too costly to compete with the other firms in the market because of their strong foothold and recognition or the lack of financial capability for Innoventum Oy to match their offerings, Innoventum Oy can divert its marketing to other regions of the country, e.g. Galway, Limerick and Cork, using geographic segmentation to established itself either as a market leader or a major player in the areas (Kotler and Armstrong 2001, 249-252). Then, when it would have finally established itself in those regions, it can now extend its marketing activities to Dublin and Meath areas (see Appendix 13).

From the map we can see the major regions of Ireland where most of business activities in the country take place, with Galway in the Border, Midland and West (BMW) region, and Limerick and Cork in the South West (SW) regions. According to the Statistics Office of Ireland, the rate of internet use was around 66% in 2007 among certain ages of the whole population in these regions. Another advantage the three regions might have is a cheaper workforce and set up capital compared to the Dublin and Meath regions.

3.4 Product analysis

Products and services are more than just having physical goods in hand or going through a service process to satisfy wants. They contain other features and benefits that customers enjoy when they are buying the product or service. Kotler and Armstrong (2001), argues that products are comprised of three layers which marketers must well understand when developing their product concept. These layers are *core product* (main benefit or service the product serves), *actual product* (the components, characteristics and features of the product) and *augmented product* (services offered along with the product to satisfy buyer's needs) as illustrated in Figure 3. All these are what is put together to make up a real product or service.

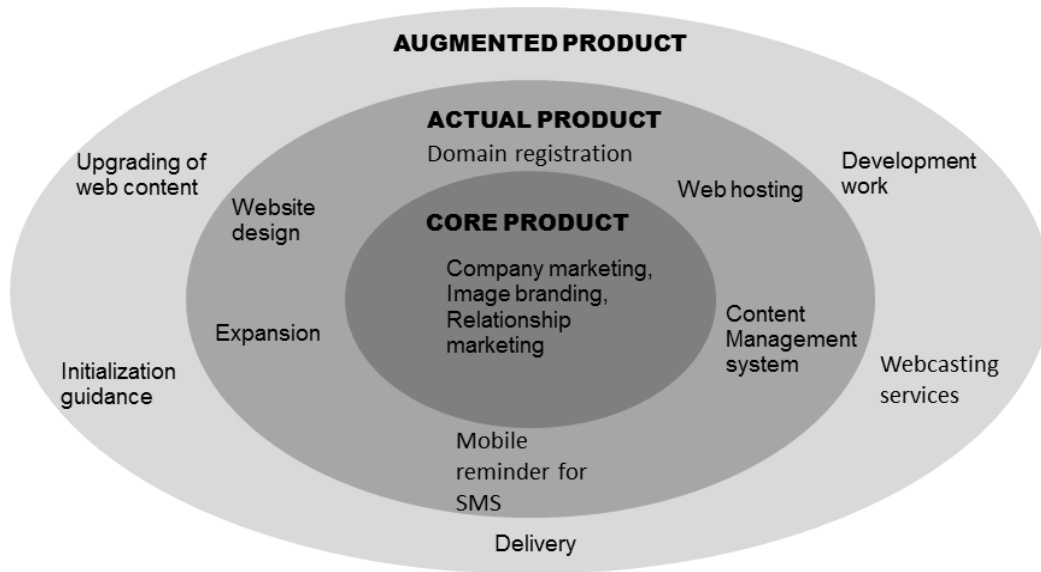


Figure 3: Three layers of a product

Figure 3 shows the three layers of Innoventum Oy website design product package. Companies planning to develop a homepage or website intend to market themselves to the public, create an image and monitor the business relationship between them and their customers. These are the main aims that lie behind having a website. Innoventum Oy needs to think along this line, so as to package its offerings well to potential customers. Marketers who understand this concept stand the chance of giving the best product to customers (Kotler and Armstrong 2001, 294). There are many instances of the same products and services, but the way in which they are offered are different from one another is what gives a cutting edge to marketers. An example of this is that one can find several brands of laptops in a shop, but Dell computers are only ordered directly from the manufacturer, which gives a sense of quality package to customers.

3.5 Services related to product offering

Modern day marketing is not all about production and the manufacturing of goods (tangible products) alone. Today's customers are no more thrilled by physical goods alone, but also by what benefits or services accompany the products. The service market is rapidly growing and, companies that can render the best of services with their products have an advantage over their competitors. This is why a high technology industry such as the automotive and lift

manufacturing industry are focusing more on services. It is here they earn more return as sales volume of their products might not be as high as expected, especially when one time or high risk products are involved (Grönroos 2007, 5). In a market full of competition and where marketers offer identical goods, service will always be the cutting edge for firms who render it most.

CASE STUDY 2.0 Good service gives an edge.

Superkuva and Maaailman kuva are two photography shops in the city of Joensuu, Finland. Both firms have good and quality services in photo production. Saheed Abari happened to have patronized the two shops, which gave him the opportunity of comparing the two firms in terms of their service delivery to customers. As a low budget customer who needed passport photographs for official use in the British Embassy in Helsinki, Finland, he visited the two shops to see the price offers they have got for 4 copies of 35 by 45mm coloured passport photograph (visa photo size). The prices (€13.50) happened to be the same in the two shops, but as a customer who wanted new experience, he decided to test the service of Superkuva having tested that of Maaailman kuva in the past. The service delivery was superb in Superkuva. Saheed was printed black and white passport photographs instead of coloured. Immediately he realized he needed coloured photographs and he told the photographer thinking he will have to pay for another printing. Contrary to his expectation, the photographer kindly said, *“No worries, we will print you the coloured photographs you needed and you can have it together with the black and white without additional payment.”* Saheed was amazed and decided to be a loyal customer to Superkuva for the nice and cheap service he has received from Superkuva.

Story related from personal experience in 2011.

A factor that could give Innoventum Oy a cutting edge above competitors in the highly competitive Irish web design market is developing a unique approach that competitors will never find easy to imitate in rendering its services. The company could offer a customer relationship management (CRM) tool as well as mobile reminders for SMS messaging and webcasting services, as competitors are offering similar services such as domain registration

and content management systems (CMS), among others (Innoventum Oy 2009, 1-6). However, it can improve on those similar services and offer them at a better level than the competitors do if it wants to gain an advantage position over them.

3.6 Pricing decisions

Price is the name of the game of business. It is the ultimate as it either keeps a company in business or kicks it out of the market. Out of the marketing mix of product, price, place and promotion, it is the only mix that yields revenue for a marketer (Kotler and Armstrong 2001, 376). It is also a tool with which companies achieve the set goals of an organization either on the long or short run. Price is not just arrived at; it takes a lot of effort from the firm or company before it is set after putting many things into consideration. Traditionally, the makeup of price is the costs, whereby firms add up all what it takes to manufacture a product or service with a bit of profit tangible enough to sustain its operation. Cost is said to be the floor on which price is set because it is the main determinant of it. Then the value and quality of the product or the positioning of the product in customers eyes and mind capped it all as the ceiling (Kotler and Armstrong 2001, 376). That is, companies set the price for its products or services in between costs and value of a product (Albaum and Duerr 2008, 470).

Moreover, there are internal and external factors that affect the setting of price. The internal factors are made up of company's marketing objectives (survival, quality leadership, gaining the largest market share and current profit maximization), marketing mix strategy, and organizational considerations and of course cost. The external factors include the market nature for example, monopoly, oligopoly etc., demand, competition and other environmental elements like exchange rate, interest rate, government legislation (protectionism) among others (Kotler and Armstrong 2001, 374-384 & Lancioni 1988, 1-6). Nevertheless, there are three approaches to pricing depending on the goals and objectives of the company. These approaches are Cost-Based Pricing, Value-Based Pricing and Competition-Based Pricing (Kotler and Armstrong 2001, 384-390).

Cost-Based Pricing

Cost-plus pricing is the simplest of all pricing approaches as it does not give a company any headache of setting an ideal price for its products or services. The company just sums up all the cost incurred in manufacturing the products or providing it services, divides it by proposed or targeted sales units and add a markup (profit) to arrive at a price. The price is calculated thus: $\text{Unit Cost} = \text{Variable Cost} + \text{Fixed Cost} / \text{Unit sales}$, plus the profit (markup) percentage = Price (Kotler and Armstrong 2001, 384-385). In practice, let us assume a welder producing a hammer has a monthly variable cost of €7, a fixed cost of €150 and expect to sell 50 units of its products to cover costs. Therefore, to get the actual cost of the product will be: $\text{€}7 = \text{€}150 / 50 = \text{€}10$. So the actual cost of a unit of the products is €10. The company will then add the percentage of markup (profit) it intends to gain from a unit of the product, for example, let's say 50% on each unit and it is calculated thus: $\text{Markup price} = \text{Unit cost} / 1 - \text{Desired return on sales} = \text{Sales price}$. Therefore, the selling price will be $\text{€}10 / 1 - 50\% = \text{€}15$. This formula makes it easy for a firm to determine the unit price of a product.

The problem with this approach is that it is only suitable for a short term goal and it gives a company an advantage of penetrating a market with cheap prices when compared to competitors. Moreover, a firm risks the positioning of its products in the minds of customer as a cheap and of less quality product by charging a peanut, because some customers often base product value on its price. The markup price should be tangible enough to sustain the company's operation and cover at least its overhead costs. For this approach to work successfully for a firm, it means it will produce voluminously, so as to spread fixed costs on large volume of production to be able to produce cheaply. This approach is not always favourable because a price that does not put into consideration sales volume and competitors activities is not ideal. It might drive the company out of market if it sells low by not covering its costs, and harm its competitiveness with a low image compared to the class of competing products.

Another cost-based pricing approach is the break-even analysis, whereby a company sets its price at a point that its revenue will yield the targeted profit even when a low volume of products are sold to cover its cost. Assuming the welder wants to make a 35% profit, it must

sell a certain number of products to make the targeted profit, for example, Break-even volume = $\text{Fixed cost} / \text{Price} - \text{Variable cost}$. To arrive at this, it will be $€150 / €15 - €10 = 30$. Therefore, the welder must sell more than 30 units of its products at the rate of €15 to cover all costs (Kotler and Armstrong 2001, 384-385). The other pricing system under the cost-based approach is target profit pricing, whereby a company will first determine the price at which a product is sold, and then manage all costs of its marketing activities, including profit, making sure that the cost and profit will not affect the initial set price.

Value-Based Pricing

This approach is a customer oriented one, as the popular saying puts it “customers are always king”. The statement is true looking at the objectives of marketing, to sell and gain revenue in a nutshell. Satisfying customers results to profit. In this pricing approach, a customer’s perceived value and the quality of a product take precedence over costs. Companies try as much as possible to know the place of their product in customers’ minds. They often conduct research to know the features and what exactly customers are buying in a product. This will then guide them to decide the design, features and characteristics customers are looking for in the product. The price is calculated thus: Maximum value-based price = Competitors cost of ownership – own operating cost. Let us assume Arc-Tec Project Ventures Ltd. saves €50 on a Muhdsab Group water pipe it purchased for €10, which would have cost it €35 from a competing company and a running cost of €15 if bought from the competitors. The difference between Muhdsab Group’s price and competitor’s price is €20. When the price (€10) is compared with the real value (€50) of the product, it is very small. Therefore, Muhdsab Group can decide to charge up to €30 – €35 to consolidate its own gain and the customer would still pay it, because of the benefits derived from the product (Kotler and Armstrong et al., 2008, 640-642). Here, the value and quality set the price rather than the costs.

The only problem a company faces in using this approach is under- or overpricing. A product is underpriced when the producer charges below the worth of the product which results in too high sales but small revenue. An underpriced product needs voluminous sales to cover its cost, which is not always guaranteed (Kotler and Armstrong 2001, 385-386). Sometimes, value oriented customers even forego a product if the price is lower than what they expected,

thinking that the quality is low. On the other hand, overpricing is more harmful to the image of a product and its producer. It also leads to foregoing expensive product, low sales, loss of market share, among others. However, a highly priced product can still be justified by good marketing offerings to convince customers that the value of the product is worth more than they are paying for.

Customers often prefer to spend expensively for a product that does not require much to maintain, for example with automobiles. This is a good example of a product customers do not look at the real or initial price but instead the overall long-run cost of maintenance. They prefer to pay once a huge cost rather than paying gradually what will later amount to hyper pricing they will not eventually benefit from. The value, quality and positioning weighs more in the eyes of customers than price, if they are totally convinced. There is no doubt that there are products that are overpriced, but the attractive marketing activities of the producer and the total value consumers derive from using the products drive their attention away from the price.

There are two types of value-based pricing. Everyday low pricing (EDLP) means that a company sets an everyday low stable price for its product and does not need to give discounts or cut prices continuously. However, a company adopting this type of pricing should first guarantee *Everyday low cost* to be able to achieve its goals. The other type of value-based pricing is the *high-low pricing*, which means that a company charges high prices on a daily basis for its product, but convinces customers by offering them timely discounts and promotions to reduce the price (Kotler and Armstrong 2001, 389-390). Customers who are very price sensitive react to this a lot, thinking about the discount benefits alone.

Competition-Based Pricing

This is a pricing approach that solely depends on what competitors are charging for similar products. Some companies do not consider the costs and the demand for their own product as they want to stand head to head with competitors. This pricing approach mostly favours small firms as they follow larger competing firms whenever they change their price rather than when their own production costs and product demand changes. Any price charged less than that of competitors makes their products look inferior or low in quality compared to competing

products (Kotler and Armstrong 2001, 385-386). There are also two types of competition-based pricing; *going-rate pricing* and *sealed-bid pricing*. The former is a type of competitive-based pricing, whereby a firm charges almost exactly the same amount as competitors do for a product. It prevents price wars and unhealthy competition among firms as customers see the price as uniform across the market. The latter is usually used when a company is bidding for a contract or job charging its price in consideration of what competitors are charging without paying attention to its own costs and product demand (Kotler and Armstrong 2001, 385-386).

3.7 Pricing strategies

Market-Skimming Pricing: This is a short term oriented pricing strategy whereby firms identify a group of customers who are willing and ready to pay a high price for a product. The firm then enters the market initially with a high price to maximize its profits, and later lowers the price when it has already exhausted the market or competitors are coming into the market with a new product line that can satisfy the same want, offering a wider variety of choice for customers to select from (Kotler and Armstrong 2001, 399). This strategy must be carefully used because the value, quality and positioning of the product should support the high price charged initially. However, companies going for this strategy must make sure that the cost of producing small quantity of such product is not higher than the extent of denying the firm the opportunity of charging more. The market should also not be an easy one for competitors to enter because cutting the price may lead to a price war. It is a kind of “hit and run” strategy as marketers who use this often withdraw from the market after they have exhausted all the potential of the market.

Market-Penetration Pricing: It is a strategy by which firms enter a market with a new product charging below or at the same price level competitors are charging for the same product (Kotler and Armstrong 2001, 399). Companies using this strategy intend to quickly attract buyers and gain a market share, but the problem is that the strategy requires mass production that will help such a company spread its costs over the large volume of product to be able to charge a lower price. In addition, the company will need to engage in good marketing activities positioning the product very high, so that customers will not see it as a commodity product or ordinary product of low value. Marketers can also determine their price

based on product mix (Kotler and Armstrong 2001, 400-401). These strategies are further explained below.

Product line pricing: It is a very good pricing strategy whereby a company produces varieties of products of the same line with little difference in features and characteristics, and charging a price that is a bit different from what is charged for another product of the same line. This strategy can be used to counter competition in the sense that instead of a firm to cut price because competitors are charging less, the firm will now come up with a new product competing with that of the competitors and reposition the old product as a more valuable one.

Optional-Product Pricing concerns products that are not necessary or optional being sold along with the main product. Here, marketers want to know which options buyers really want in a product and which one to offer as options so that they can include them in the basic price. Producers use this strategy to relieve the burden of product features and those options to offer based on customers preference or taste.

Captive-Product Pricing: A pricing strategy for dependent products that must be used together with the main product, for example, ink for computer printers. Companies know that the amount of the main product that will be sold will not be up to the amount of the dependent ones. Therefore, they offer the main product as cheaply as possible and set high prices for the dependent products. Buyers use the products continuously, yielding a large return for the producer. The amount of the dependent product that is sold always outnumbers the sales of the main product.

Other pricing strategies include *pre-emptive pricing* and *Extinction pricing*. Pre-emptive pricing is a strategy of forcing a drop in the price of competing goods and driving out competition from the market, by setting the price closer to unit cost and very low compared to that of competitors. However, a firm using this strategy must produce in mass to cover production costs. Extinction pricing on the other hand is a strategy of forcing out existing competitors from the international market (Albaum and Duerr 2008, 483). It is similar to pre-emptive pricing, but the problem is that it can slow down development and affect the image and quality of a product through price wars or unfair marketing campaigns between marketers.

3.7.1 Pricing in International market

Pricing across the border is not an easy task as it not only depends on costs and demands alone, but is also influenced by exchange rate, tariffs and import duties etc. A firm setting a price on the international scene must put into consideration all the previously mentioned factors if it is to achieve its aim of marketing abroad. Other factors that must not be neglected are competition and legal and political issues of the foreign market (Lancioni 1988, 1-6). This is one of the reasons why companies expanding their market abroad face competition, starting from setting a reasonable price to gaining a foothold in the market. Then, it must follow the pricing decisions in such a market irrespective of its costs and demands for the product.

There are different methods of setting price at the international market. A firm might decide to set a low price (Export price lower than domestic price) when entering a market for the first time, so as to introduce the product and try to win some customers for the product. Such a firm will need to produce in mass to be able to lower its cost and set a lower price for the product (Albaum and Duerr 2008, 485-486). In addition, it will have to cover up for costs like transportation, insurance, import duties etc. by selling a large part of the product in the domestic market. Setting a lower price in the foreign market might also be possible if labour is cheaper in the market or there is an abundance of resources and government support (subsidy) to promote internationalization.

Another method might be same price (Export price equals domestic price) for both domestic and international markets (Albaum and Duerr 2008, 487-488). This may be due to lack of knowledge of the market, avoiding unhealthy competition from competitors who might decide to force the product out of market by lowering their own price, being fair to domestic customers and of course avoiding antidumping regulations in the foreign market. The good thing about this method is that it reduces for the producer the burden of setting the initial price as the same price is charged in both markets. Lastly, a firm can also decide to charge more (Export price higher than domestic price) in a foreign market if there is the potential for it (Albaum and Duerr 2008, 486). This may be as result in customers willing to pay more for the product, huge demand and high acceptance of the product and indispensably the high cost of serving the market, for example, documentation, market research and fashion.

In view of these, a firm can use *dynamic* and *differential pricing* methods for its products by setting different prices for a single product in different markets depending on each market condition and characteristics (Kotler and Armstrong 2001, 371 & Albaum and Duerr 2008, 488). Differentiating price for a single product in different markets is based on the elasticity of demand and separation of markets.

3.7.2 Problems in pricing

The task of setting a price for a product is not an easy one. It is one of the major problems facing the management of a company because of the fear of getting it wrong. Neither does setting the price lower (under-pricing) than what is supposed to be charged on a product favour the company's operation, nor did charging more (overpricing) help a company and its product image. Whatever the case may be, both are in the long-run dangerous for a company's operations, especially in an international market where there are strict regulations by governments to protect local companies and citizens from exploitation and dumping.

There are regulations that rule against certain pricing systems, for example, predatory pricing, deceptive pricing, price fixing and retail price maintenance (Kotler and Armstrong 2001, 415-418). *Predatory pricing* is a system whereby a producer charges lower than the cost of production in order to face out competition. *Deceptive pricing* is a situation where companies advertise a product with a price to lure customers into buying the product and later charge a different price (usually higher), when customers eventually buy the product. *Price fixing* is a situation when group of manufacturers, in a bid to protect their own interests, collide and set a uniform price, which is almost in all cases intended to exploit customers. *Retail price maintenance* is a system where a producer or supplier imposes on retailer a price for which its product will be sold without giving the retailer the freedom to set its own price. All these pricing systems are strictly prohibited by governments, and defaulters are seriously dealt with if they are caught. However, a firm can always justify its pricing strategy if it is ethical, but in rare cases will such a company go unpunished.

Another problem in pricing is how a company deals with changes in the price of its product. Price changes could arise as a result of rise in cost of materials, logistics, designs etc., but a

firm should be able to manage the situation with effective customer communication and a good marketing strategy to support its actions. It is important companies put customers in their thinking when setting the price because their objective is to sell and not consume the product themselves. “Customers are kings” the statement reads. There are strategic ways producers can raise prices without causing negative reactions from the customers. They can communicate and stress the value and quality of the product or service more to convince customers that they will get the value for the price paid for the product (Lancioni 1988, 1-6).

Companies who use this approach give information ahead to prepare the mind of customers on what the price of the product will be in the mean time so that they are not caught unaware. They can also increase the value and quality of a product to raise its price and have a product line (a bit different in features) to satisfy low budget customers who might feel they are paying too much for the product (Lancioni 1988, 1-6).

3.8 Selling in a B2B Market

Unlike the consumer market, the B2B market is a complex market that needs more penetrations and marketing activities. A lot of processes and people are involved in the buying (Kotler and Armstrong 2001, 215). Buying decisions in B2B are carefully made, because sometimes they either attract rewards or blame, and nobody wants to take the blame or to be kicked out of work. Business buyers are professionals trained on how to make purchases. For example, a deal that seems to be almost sealed might come out to be a rejected one at the final stage. Simply because of the advice or perception of an experienced person on the goods, products or services involved.

“If you can’t find the kid inside the CEO and excite him or her with the raw beauty of the new plane, you’ll never sell the equipment. If you sell the excitement, you sell the jet”. This is a salesman’s experience (Bonoma 2006, 3). Imagine the airline business, which involves a huge amount of money, plenty of lives, images at stake and accountability to mention but a few, compared to a private consumer that just go to a shop and buy a fake or bad product. The private customers can bear the losses or pains alone, but the business buyers can not. They

face a lot of queries from the government, the public and the company itself. This is why they are very careful in making their buying decisions.

It takes the salesman a lot of effort to sell in this market. Before selling a product, he will have to answer the following questions: Who is in the buying centre? Who are the powerful buyers? What do they want? How do they perceive the seller? Answering these questions tends to be very difficult. Even when the salesperson knows the buying centre, the decision not to buy might be influenced by someone outside the centre (Bonoma 2006, 4). For example, consider a visitor who came to the office of his friend and heard that they want to buy such and such a product. The visitor then narrated his/her own negative experience with the same product to his friend, who in turn told the management. That is where the deal stops, there is no business anymore as the management is helped in a way and they have no option than stop the deal.

3.8.1 Members of the buying centre

The people that make up the buying centre perform different actions even when one sale is involved. It starts from the one that identifies a need or problem in the company to the one that finally gives the decision to buy (Kotler and Armstrong 2001, 219 & Bonoma 2006, 5). The members of the centre include the Initiator, Decider, Influencers, Purchaser, Gatekeeper and Users.

Initiator: This is the one that first realizes a need or problem and brings the idea of buying a product to satisfy the need or solve the problem. The initiator can be members of the staff who found fault in a machine, computer device etc. and put up a suggestion for replacement.

Decider: This person makes the decision whether to buy the product or not after considering the options and the opinions of others. This position is mostly occupied by the top management officials like the President, CEO, MD etc.

Influencers: This person supports or rejects the idea of buying the product based on his/her experience and know-how, for example, technicians or data processors who know the best solution to the need.

Purchaser: The purchaser completes the buying process after all recommendations by selecting suppliers, negotiating and bidding for the product, for example, the purchasing manager and his/her department.

Gatekeepers: These are the people that control the flow of information in the buying process based on their knowledge on the need to be satisfied or problem to be solved, for example, the secretary of the company.

Users: These are the users of the product. They involve the employees of the company, know the actual problem and help in specifying the needs.

Therefore, selling in B2B requires the knowledge of all these actors and their individual role and power in order to define the best strategy to win the hearts of these people and make a sale for the selling company. These people individually have their way of exerting power based on the aftermaths and motives behind a particular purchase (Bonoma 2006, 6). They generate their powers through the following means; reward, coercion, attraction, expert and status.

Table 3. The sources of buying power in B2B markets

Bases of Power

Types of power	Champion or Veto	
Reward Ability to provide monetary, social, political or psychological benefits to others for compliance	✓	
Coercion Ability to provide monetary benefits or other punishments for noncompliance	✓	
Attraction Ability to elicit compliance from others because they like you	✓	✓
Expert Ability to elicit compliance from others because of technical know-how either actual or reputed		✓
Status Ability to gain compliance from others through the legitimate position one is occupying in a company		✓

Table 3 shows how people possess power in a company or organization. Power can be generated through kindness. An example of this is a manager that tends to reward staff based

on performance, through force with the ability to sanction, through likeness because of one's attitude to staff and through knowledge and position in a company. Therefore, the salesperson needs to use his/her tactics to figure out where the power belongs because none of the people in the buying centre wears a tag that indicates their position. However, there are clues that make it easier for the salesperson to identify the powerful in the buying centre.

3.8.2 Six behavioural ways to identify the powerful

Since it is obvious that no one in the buying centre will wear an identification tag for easy recognition, it is incumbent on the sales force or the selling party to use their tactics in identifying where the power lies (Bonoma 2006, 7). It is important that they will not waste time in directing their sales activities to the powerful ones in the buying centre. Below are the clues in identifying the powerful;

- ✓ Identifying where the power is located in the buying centre.
- ✓ Observing the flow of communication in the company or organization.
- ✓ Hearing people's opinion about members of the buying centre.
- ✓ Tracing whom information is directed to.
- ✓ Knowing individual members status. That is, is s/he the main person or a representative? The powerful one's rarely show up in a meeting or negotiation because of their heavy tasks and busy schedules.
- ✓ Understanding the dynamics of the buying company. Trying to know where final decision comes from.

The seller also needs to know the major factors that influence the business buyers, for example, environmental factors (Economic developments, supply conditions, technological change, political & regulatory developments, competition, buying culture and customs). It also includes organizational factors like the company's objectives, policies, procedures, organizational structures and systems coupled with interpersonal and individual factors that make the buyer e.g. power, personality and risk attitudes etc.

3.8.3 The buying Process in business markets

It takes couple of protocols before a product or service is purchased in the business markets. Business buyers do a lot of scrutiny starting from when the need to buy a product arises until the final seller is selected (Kotler and Armstrong 2001, 224-228). The steps are as follows;

- 1 Problem recognition:** The buyer recognizes a problem and decides to solve the problem by purchasing a specific product or service.
- 2 General need description:** After identifying the needs, the buyer prepares the quality, characteristics and quantity of the needed item. Here, the buyer might need to gather information from others, for example, engineers, users, technicians, consultants etc. before determining the final needs.
- 3 Product specification:** At this stage, the buying company specifies the actual product qualities and features with the help of analysis from engineers to know if the product can be redesigned, standardized or produced cheaply.
- 4 Supplier search:** This is where buyer starts to searching for suppliers through internet search, phone calls, interviews and business directories to check for potential suppliers for the needed item.
- 5 Proposal solicitation:** After a successful search, the buyer starts to contact suppliers telling them to submit their proposals for the needed item, from which the buyer can eventually select the supplier that has the best offer for their needs.
- 6 Supplier selection:** The buyer at this stage now selects the ideal supplier for their needs after critical scrutiny of each supplier and putting several factors like prices, delivery period etc. into consideration.

- 7 Order-routine specification:** At this stage, contract agreement is reached between the buying and the selling parties, and the buyer makes the final order for the specified product, quality, quantity, delivery and price.
- 8 Performance review:** After the product is delivered, the buyer now assesses the supplier and its product or service to make a decision whether to continue buying from the supplier or choose another supplier. This is where most suppliers fail, only the long-term and relationship oriented sellers successfully pass through this stage.

Table 4. The stages of the buying process in B2B markets

S/N	Buying stages	Buying situations		
		New tasks	Modified re-buy	Straight re-buy
1	Problem recognition	Yes	Maybe	No
2	General need description	Yes	Maybe	No
3	Product specification	Yes	Yes	Yes
4	Supplier search	Yes	Maybe	No
5	Proposal solicitation	Yes	Maybe	No
6	Supplier selection	Yes	Maybe	No
7	Order-routine specification	Yes	Maybe	No
8	Performance review	Yes	Yes	Yes

Table 4 shows the stages of the buying process in B2B markets. Sellers who are aiming to win the hearts of their business partners must have the knowledge of these stages. It does not mean that all these stages must be observed before a purchase is made. Sometimes some stages are skipped because it depends on the position and perspective of the buying party on the seller. If a new product (New tasks) is involved or the buyer is buying a product for the first time, there is a tendency that all the stages must be observed (Kotler and Armstrong 2001, 218). However, if it is an old product, it does not necessarily matter to observe all the stages, as the buyer and seller are familiar and have cordial business relationship between each other. A modified re-buy means that there is a change in the order as a result of some inclusions or exclusions in the contract, while straight re-buy is the continuous ordering of the same type of product.

Therefore, for a seller to be successful in this market, he/she needs to know how things work in companies and organizations, so as to know what, how, where and when business buyers make their buying. The motives behind the reasons why private and business buyers make purchases is different from each other. Although both are markets characterized by needs the business market is very complex compared to the consumer market. As a result, a good seller should study the market carefully to know the strategies to employ in order to serve the customers better.

3.9 Negotiation strategies

Many believe culture is ancient until they come into business and find that it has become a major role player in the modern day business, as people hardly give in on their values and ways of life. A deal that is almost sealed may suddenly break down; a contract that is about to be concluded could fail along the lines and a project bid that is nearly won falls through, simply because a partner has trampled on the cultures and values of the other one. Learning cultures and values have become an integral part of the modern day business (Cateora and Graham 1999, 12-16). The client that knows the ins and outs of the cultural values that make up his/her partner is favoured and stands in the best position of notching a worthy deal. The one that fails to acknowledge the fact that some certain values of his client need to be respected takes home nothing to his employer.

Negotiations can be very tricky and tactful at times, much like a card game. How perfect one can play aces and place jokers determines victory. Some negotiators are out there at all cost to intimidate their partners with tricks and win as much as possible for their organization, not caring about the interest of the other party. Therefore, it worth good preparation to master all negotiation tactics and employ the best strategy to achieve a win-win situation if a negotiator wishes for more profitable deals. A onetime unsatisfied customer will never come again. Fisher and Ury (1991), argue that the best negotiation strategy is the *principled negotiation*. It is a very good approach of reaching a worthwhile deal, because it adopts a polite manner of approaching potential business partners, which yields positive results and creates a good relationship between a buyer and a seller.

This strategy has four methods that include *separating people from the problem*, which gives regards to a negotiating partner by avoiding direct use of words like “*you have offered us...*” or “*your offer is not favourable...*” etc. to address negotiators. Rather, words like “*the deal is...*” or “*the deal seems...*” allows partners to see each other working towards solving a problem pursuing each other’s interests and not to see each other as a hard nut to crack. This gives negotiators a good feeling and atmosphere in solving the problem at hand. One of the methods is to *focus on interests and not positions*. It is always very hard in all endeavours when two people cling to their positions instead of looking at each other’s interests to reach a favourable agreement for both parties. For example, “A” is telling “B” he is the boss of his company, and “B” is hanging on his position of authority in his company making decisions for the future of his employees and business. If both did not focus on the reason why their respective companies exist or the reason why they are both working for their company (success and profits), both companies’ operations will collapse.

As long as the aim of business organizations is to strike a deal and make profit, status or position is less important if a problem is to be solved. “A” should come down from his/her executive throne while “B” should put aside his title until a deal is reached, and they should see each other as mere colleagues seeking the interests of their respective companies. Unless this is done, a favourable contract agreement might not be reached and if any at all, it will possibly be a regretful deal (Fisher and Ury 1991, 10-11). There is also the *inventing options for mutual gains* method. It is always better to have several options of notching a deal or different ways of achieving a goal so that an option will eventually work out if the other does not. Goals and interests cannot be achieved 100% according to people wishes. An innovative negotiator would even find opportunities in his/her opponent’s interests depending on how focused and creative he is.

Business is like a game; everybody wants to win. Unlike sports where a stalemate denies opponents the total points, a mutual agreement can still create a win-win situation for both parties. Therefore, people give up or sacrifice some things by bringing up ideas and terms that could favour both parties in order to reach a deal. Reaching a deal does not mean one should lose his/her focus or trying to make his/her opponents satisfied at the expense of his/her own organization. This is what the fourth method, *remaining objective*, stipulates. While partners

want to make sure that their opponent is satisfied and favoured with a possible profitable deal, the thoughts that filled the hearts of both parties is how the individual will win the best deal for the respective companies. The fact that some things have to be given up to get another does not mean both parties should lose focus on their respective goals. However, both parties must remain objective and try all their possible best cautiously to reach a final agreement.

All the same, one should not rule out the fact that there are die hard negotiators who will use tricks or even tell lies to get the largest share of the business spoils. They stand on their position to intimidate partners into falling for their tricks. They will attack partners with words, emotion and action to pressurize partners to get their best out of him/her, but an experienced negotiator who can easily identify these tricks will employ the best way of handling them. Ury (1991) argued that the ***Breakthrough negotiation*** strategy is the best tool to use for such people. When an opponent in a negotiation piles up pressure on his/her partner to succumb to his/her tricks, one can take a time out or propose a break such as coffee, calling a friend and other similar activities to ease the pressure. All these can be done at a strategic place like the balcony, where you could see the closest thing from the distance or imagine yourself and other partners on the negotiating table (Ury 1991, 9).

This strategy helps a lot as it refresh the brain and equips one with good answers to questions. If it comes to worse that an agreement is not possible to be reached, one can walk out as long as BATNA is in the back pocket. Nevertheless, do not do this at the detriment of a business relationship, because relationship building is very important, especially in a relationship focused culture like Ireland. BATNA means Best Alternative To Negotiated Agreement. If there is another option of striking a favourable deal elsewhere, why not, instead of sitting on a table to reach an agreement that would only be regretted afterwards. If anything is unclear to a negotiator, he can ask questions, repeat what he has understood for clarification and ask for advice from his opponent (Ury 1991, 20). He can also bring the opponent to his senses letting him put himself in his shoes and see if he can survive his own tricks. By so doing, the partner will possibly overcome the opponent.

However, every action that will be taken in a negotiation must be with care. A good negotiator should acknowledge the interest of his partner and every point he makes to give his own point

and interest a solid ground. It is hard for someone that has been given an audience listening to him to turn deaf ears to others when it comes to their turn. In presenting points, a negotiator can draw his opponent closer to agreement with effective use of “Yes” to his points accompanied by “and” to say your view as the word “Yes” gives a sense of accommodation. He should try to avoid the use of “but” as it always carry a negative impression, for example, when he says *“your quotation is too high”*. Saying *“but that is the price others are charging”* would be like he is defensive or not accepting his partner’s claim. Hence he can still bring his opponent to his knees by saying *“yes the price seems too high “and” the reason is that we offer very good quality”*. By so doing, he will make the opponent reason with him without losing his own ground.

Whenever it seems that what the opponent his offering his partner does not make sense or standing on his position using offensive languages, responding in similar way trying to save face will only fuel issues. Rather, the partner should take some silence pondering over the next tactics to get his opponent down. This will allow him cool off his head and come back to his senses. He will feel the guilt in himself trying to get the negotiation back on track. In fact, there are several ways of winning a deadlocked negotiation starting from recognizing the tricks of the opponents, not reacting to their pressure or yields to their anger, doing the opposite of what is expected of a partner by keeping silent when they tend to infuriate him, not making decision at the spot if he does not want to regret it, taking a time out and going to the balcony, writing down points, acknowledging the opponent’s opinions and interests without giving in on his own interests, having a good alternative (BATNA) when negotiation stalls to mention but few. However, all these depend on how efficient and experienced one is in handling pressure.

3.9.1 The Irish Business Culture

The Irish are a relationship oriented people. They like to get to know whom they want to deal with before going straight to business. This is why small talk ensues before commencement of meeting or negotiation (Kwintessential 2011). The Irish are a kind of an expressive culture that talks a lot and wants to put everything in detail. They do not want short answers, and everyone present at the meeting is expected to participate in the discussion at the meeting. The

Irish are modest people that do not like showing off or self praising, for example, emphasizing much on one's professional achievements. It can rather be done shortly without wasting much time (Kwintessential 2011).

A face to face meeting is very important when dealing with an Irish partner, as they are a relationship focused culture. Their decision making process is slow and they are not time conscious, but punctuality is demanded of a business partner to show seriousness. They are less formal in their dress even though visitors are expected to dress conservatively. It will be an advantage to be introduced by a third party, an insider when meeting an Irish partner for the first time as it facilitates relationship building process. As a modest and polite people, they like people to add titles to their names and often prefer the use of first names (Kwintessential 2011). Irish are a less direct culture that might not want to say "Yes" or "No" outright, as it is considered as rudeness.

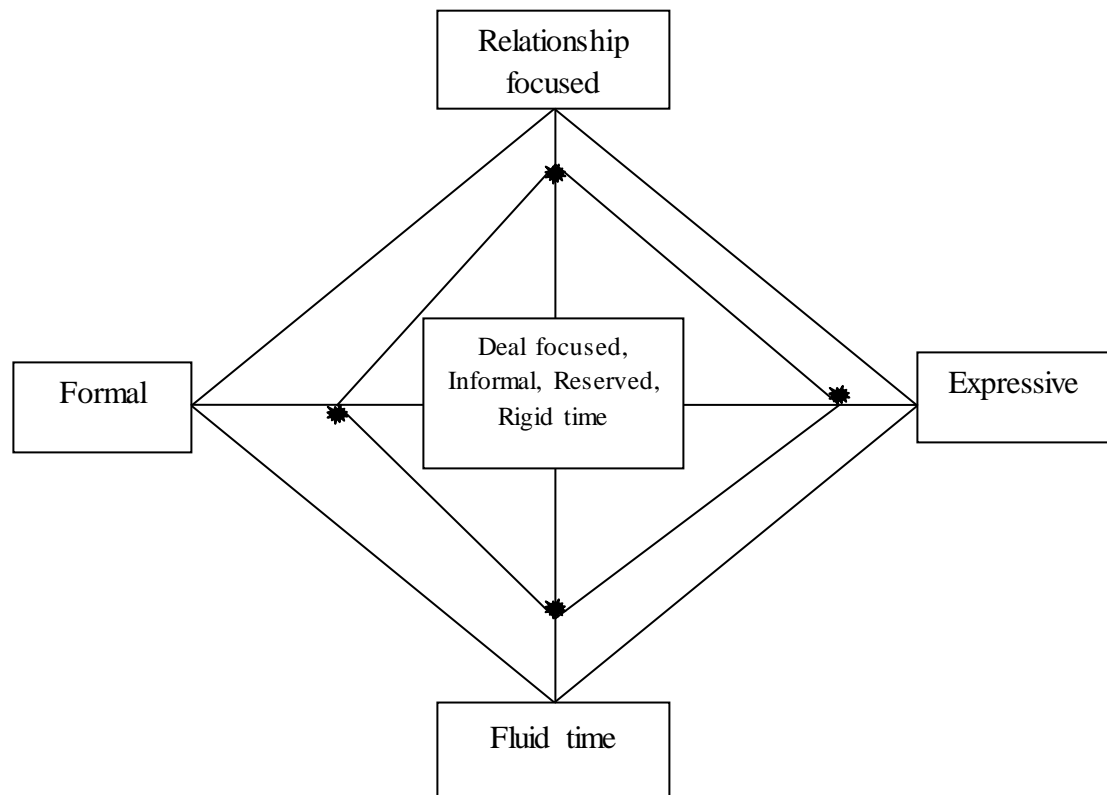


Figure 4. Business cultures

(Source: Richard R. Gesteland 1995)

Meetings are often held in restaurants and pubs. When a business person is going to a meeting or meeting an Irish business partner for the first time, he is expected to give a warm handshake with an eye contact to show trust. Avoid touch behaviours like back tapping. Use minimal hand gestures rightly if at all, for example, when using the peace sign, he should make sure his inner palm is facing upward, because turning it down is regarded as an obscene act. Much is not expected from a business partner when presenting a gift to an Irish partner as they are not a gift giving culture. However, he can present writing materials for office use. If he is invited to an Irish business partner's home, he can present gifts such as box of chocolate, champagne and flowers other than lilies which are used at festivities and white flowers for funerals (Kwintessential 2011).

One should remember to send a thank you note when invited to an Irish home. Everyone pays his bill as paying for someone else might be considered a show off. Refusing a drink is an insult to an Irish partner and when drinking, one can give a toast with cheers or good luck which is more formal. It is advised to avoid price inflation and high pricing margin when making presentation or negotiating, because one might be considered as a wrong partner. Irish keep memory of past deals, which means that one will need to offer a favourable deal to secure future contract. One needs to be relaxed, friendly, humble and patient when dealing with an Irish partner because they take their time in getting to know each other better and when making their decisions.

3.9.2 The Irish Business Partner

Having mentioned the important role culture plays in modern business world, it worth learning about an Irish business partner, so as to know the best way to relate with them. To help present a clear picture of an Irish negotiator, some characteristics will be highlighted, so as to have knowledge of whom one expects to meet on a negotiation table. Then, these characteristics will later be compared side by side with a Finnish negotiator to find a way of accommodating the differences and help in reaching a favourable agreement. Unlike the Finns, one should be prepared to meet a warmed and outspoken personality, who will ask about his partner's background and family in the sake of knowing and creating a relationship with him.

Table 5. Differences and similarities between an Irish and Finnish negotiators

An Irish Negotiator	An Finnish Negotiator
Warm handshake with direct eye contact	Firm handshake with direct eye contact
Face to face meeting is very important	Written message is very important
Expressive and talk about private life	Reserved and don't talk about private life
Time is less important	Time is very important
Relationship focused	Deal focused
Add title to names	Title is not necessary
Don't like confrontation	Don't like confrontation
Only responsible for personal bills in restaurants, pubs and bars.	Only responsible for personal bills in restaurants, pubs and bars.
Gifts are welcomed (chocolate, champagne and flowers. But lilies and white flowers are for funerals)	Gifts are welcomed (chocolate, wine and flowers. But yellow and white flowers are for funerals)

Figure 5 is aimed at getting familiarized with an Irish partner before meeting him physically. Nevertheless, culture changes from time to time but still the information provided here is very important as people cannot totally do away with their customs and tradition. Some part of culture will still be found in the daily lives of people no matter how much a culture has changed. In order to accommodate these differences, Gesteland (2002) argues that there are two iron rules that govern business negotiation. One is that “*seller adapts to buyer*” and the other is that “*the visitor is expected to observe local customs*” (Gesteland 2002, 15-16). These general rules do not mean that a seller should give up his interest or yield to buyer's pressure all in the name of striking a deal. There is no sense in reaching an agreement that will later ends in regret or disappointment.

3.10 Resources needed for the international market

A firm aiming at internationalizing its operation needs certain resources to execute the highly demanding project. Resources can still be managed in a domestic market, but going beyond the border of the country means that a lot of preparation has to be done to meet the requirements of the new market. Among the resources needed are finance, personnel and production capacity (Stone and McCall 2004, 228). Each resource will be explained below to have the knowledge of what they entail;

Finance: The most important determinant factor of internationalization is fund. A firm has to make enough funds available to cope with the demands of the international market. This fund is needed for filing in documentation and registration of the company, renting a business premises, equipment purchase, hiring and payment of monthly salaries of employees etc. These are basic things that must be taken care of regardless of whether operation has started or not, for example, a firm that is not registered cannot carry out business activities legally in a country, there must be an address to locate the company, there should be equipments like computers, stationeries among others in place for staff use and those staff must at least take something home at the end of the month.

Personnel: A firm must hire competent workers to perform given tasks professionally. Their efficiency determines the success of the company as the quality of their work and hospitality attract customers to patronizing the company. They are also to be trained at interval to meet up with the use of new technology and production fashion. However, it is ideal that the firm hires manpower cheaply and trains them to its taste rather than employing expensive labour it might not be able to sustain on the long run, especially when a new market is involved (Stone and McCall 2004, 228-229). This is why many companies are moving to China, Indonesia, Vietnam, Poland, Norway, Portugal and African countries because of cheap labour. Interestingly, labour is cheaper in Ireland than in Finland. According to Statistics Finland (2008) report and Central Statistics Office of Ireland (2010) report, average hourly earnings are €27.5 and €21.96 respectively. Wages and salaries have been on continuous decrease in Ireland due to the financial crises, while it is rising in Finland as a result of economic growth.

Production capacity: The volume of production should at least match market demand if not a bit more. This depends on efficiency and productivity of workers, good working condition, incentives and motivation, and above all the use of sophisticated modern technology that enhances work rate. Above all, the production and service level should also be able to match that of competitors in order to survive in the market.

3.11 Implementation plan

The entry period into the Irish market depends on the economic outlook of the Republic of Ireland. Since 2008, Irish economy has not recovered from the global financial crises. The country's GDP has fallen due to high rate of unemployment, which also leads to emigrations, decrease in domestic demand and consumer spending. However, the economy has been sustained with the high level of export, income from abroad and other fiscal measures such as austerity plan and bailout package (Bank of Ireland 2010). This can be viewed in two ways; it is an advantage in terms of cheaper cost (capital expenses, wage cut etc.) of entry into the market in one hand, but lower business activities might be recorded as individuals and firms are cutting their expenses in the face of recession on other hand.

However, the economy is predicted to emerge from recession by 2012 (Finfacts 2011). Based on this, Innoventum Oy can start its market entry plans latest by the second quarter of year 2012. Table 6 shows the layout of the market entry activities with the use of Gantt chart.

Table 6. Schedules for Internationalization process (The Gantt chart)

S/N	Task name	Duration	Apr. 2012	May. 2012	Jun. 2012	Jul. 2012	Aug. 2012	Sept. 2012	Oct. 2012
1	Start	0 days							
2	Meeting with Finpro								
3	Business registration	3 weeks							
4	Renting and setting up of premises	10 weeks							
5	Recruitment and training of staffs	2 months							
6	Advertisement and promotion	15 weeks							
7	Training & commencement of operation	4 weeks							
8	Finish	0 days							

As a new player in the international market, it is ideal that the managers of the company meet with Finpro, a Finnish organization helping Finnish firms to expand abroad before establishing a branch in Ireland to seek advice, support and guidance on how to go about the process. After the managers have met with Finpro and take necessary advice, then they can proceed with registration of the company in Ireland. When registration is done, renting of business location follows with advertisement placed on print media, TV, radio and possibly attending trade fair and exhibitions. Shortly after renting a premise, recruitment process begins by calling on qualified candidate to submit their CV's. From the CV's collected, best candidate that emerged should be hired and trained with the company's orientation. Finally, business operation commences after ensuring that all the processes are successfully completed.

3.12 Marketing controls

Everyone is a planner, but plans are thoughts that often work reversely. That is why some measures need to be put into place to correct company's operation whenever it seems there is deviation from the plans and objectives of the company. This does not only happen in companies' level alone, it also occurs at larger economic level like the Russia government *stabilization fund* generated mostly from oil surplus, which rescued the country's economy from the 2008 global financial downturn. All these illustrate the fact that certain measures have to be taken when necessary to protect the operation of the company in order to achieve its marketing aims and objectives.

It is the primary duty of the management to evaluate the marketing process from time to time to check whether the company's operation is in line with the set plans. If not, the management without wasting time needs to exert some controls to correct the company's operation, so that there will be relationship between the goals and performance of the company (Kotler and Armstrong 2001, 73-74). It can be done radically by changing the entire programs of the company, which will then direct the company into another line of operation, or reviewing the company's program and widening its scope of operation by complementing the existing programs with additional ones to meet up the market demands.

The controls are divided into *Operating* and *Strategic* controls. Operating control is checking the continuous performance of the company in relation to the annual set plans and exerting control measures when necessary, so as to ensure that the set goals including sales and profits are achieved. Strategic control is checking that the company strategies are relevant to the market opportunities. In a rapidly changing modern marketing environment, it imperative as long as success is the main goal of every firm that they re-evaluate their strategies and make sure they are well fit into the present marketing environment. This is done with the help of *marketing audit*, a question like tool used in determining problems and opportunities around a company and its environment in order to take corrective measures (Kotler and Armstrong 2001, 76).



Figure 5. Marketing Controls

(Source: Marketing teacher 2000 – 2011)

Generally, marketing control process is divided into four step by step continuous processes as shown in the diagram below. The first step when the company set its marketing goals and objectives. Secondly, the company or its management set the performance standards, for example, quality level. Then when operation begins, the company compares the market result against the standard at the third level, and corrective measures are then taken at the last level of the whole process to rectify any problem found in the company's operation (Marketing teacher 2000–2011). It is a continuous process that starts all over again after completing the whole process to keep management informed and updated about marketing activities. By so

doing, the management will be able to monitor constantly the annual plan, profitability, efficiency and strategy (Harvard Manage Mentor 2007).

4 METHODS

4.1 Research problems

This research is aimed at looking into the importance and contribution of the internet on business activities. The research problem is to find out the influence of having a website on a company's marketing. The problem is broken down into two to get a wider view of how companies value their websites in order to help the case company (Innoventum Oy) market itself well and adapt its offerings to the market demand. The problems are the role of website in company marketing and the prerequisites for choosing a web designer to design a company's website.

4.2 Questionnaire

The questionnaire was collectively designed by the manager of the case company (Innoventum Oy) and me, utilizing the manager's experience of being an expert in web design service so that we could touch the whole range of the research problems. The questionnaire was limited to a few questions and designed online in through Google documents to make it easier for respondents to fill and return without taking much of their time. The link was then sent to teachers and colleagues for a test to get their feedback on any necessary amendments, corrections and suggestions on how it could be improved. They responded to the call and offered their advice, which made the questionnaires fit for distribution.

The questionnaire included 16 questions in all. The common LIKERT scale (1-5) was used, but the scale was adjusted to 1-7 in certain questions to suit the purpose of this study, with 1 being the lowest and 7 being the highest (Rautopuro 2011). The questionnaire was only made in English both in Finland and Ireland for easy analysis, and for me to get the main idea of the respondents' answers when conducting the interview and analyzing the results. It consisted of two parts: the first part was based on how companies use their websites and the second part was all about background information of the respondents. It was designed to fit into all kinds of company sizes and sectors, including schools, as long as they have a website, where customers can have a look at what the company is all about.

Some ideas came up while collecting the data due to the fact that some groups of respondents that were earlier merged into the “other” option became many, for example, Joensuu had been previously grouped into “other” in the company background information sections. Then it was later decided that Joensuu should be a group on its own, so as to have a clear picture of different regions from where companies took part in the research. Then regions where only one respondent took part in the research remained as “other”. The company size question was later adjusted from 3-5 people to 1-5 people, as a result that companies of an ownership participated in the research and to include them in the analysis

4.3 Data collection

After several testing and amendments of the questionnaire, it was sent to companies both in Ireland and Finland through their emails. Unfortunately very few responses were returned. Most of the emails either ended up in spam emails or recipients were very cautious of or bulk messages they did not even have time to check. Another step was then taken by calling companies for a phone interview in Ireland, and using friendship networks (snowball) and personal interviews to distribute hard copies of the questionnaire in target areas in Finland, for example, Tampere, Turku, Lahti and Joensuu (Rautopuro 2011). Even when companies acknowledge the receipt of the link to the questionnaire, calls were still made to follow it up and motivate them to answer the questions.

This approach yielded results, even though not all the contacted companies responded, as some were very busy, some were on holiday and others replied their lack of interest in taking part in the survey. It is interesting to mention that few phone call interviews were conducted with companies in Ireland. This prompted more calls to companies to follow up the emails sent to them earlier in order to get responses from them and balance the number of respondents in both countries. Unfortunately, this was not the case. It took a period of ten weeks (July – Mid September 2011) to gather the data especially from Ireland, where companies were very busy and fixing time and time again for their responses.

A total of 52 responses were received, 7 from Ireland and 45 in Finland. While collecting the data, some vital information came up that was found to be interesting to use and possible to

reference to the theoretical part of the study, for example, the interview with the manager of Carelicum in Finland (case 1.0).

Table 7. Data collection methods

Data collection methods			Total
	Country		
Methods	Ireland	Finland	
Online response	3	2	5
Phone call	4	0	4
Personal interview	0	43	43
Total	7	45	52

As can be seen from Table 7, the effective data collection method remains personal interview (face to face). There can be some bias resulting from shyness and hiding of vital information by respondents, but if personal interview was also conducted in Ireland, the number of respondents would have been balanced. Moreover, the overall picture of Irish companies' usage of website would have been apparent and the chance to compare the Finnish and the Irish companies would have been highly possible. However, the result remains valid and reliable for use since the information was obtained from companies in both countries.

4.4 Method of analyzing respondents answers

A quantitative research method was chosen and the IBM Statistical Package for Social Sciences (SPSS) 19 for windows was used as a tool for analyzing the respondents' answers. The software remains the most effective tool in dealing with quantitative researches, as it provides different methods of dealing with data. In addition, Microsoft Excel 2010 was used to present some charts and tables in a way that is more comprehensive than that of the SPSS due to its flexibility. Graphs and tables from the SPSS were also used in the appendices to show the side by side views of respondents from both countries.

Descriptive statistics were mainly used for the analysis using the frequency, cross tabulation and Chi-square tests to present the results. The frequency was used to present data in

percentages, cross tabulation was used to analyze two variables and the Chi-Square test was used to check for significant association between two variables. Furthermore, correlations were also used to check the similarities between the answers of both countries for generalization purposes of the research result and to make good judgments and conclusions of the situation.

4.5 Validity and reliability of research results

Validity refers to the ability of the research to measure intended aspects, while reliability refers to the possibility of repeating the same result obtained from a study by another researcher in another study (Rautopuro 2011). The questionnaire was designed together with an IT expert under the auspices of a researcher, Professor Juhani Rautopuro of the University of Jyväskylä, Finland and tested by the students of North Karelia University of Applied Sciences, Joensuu, Finland before distribution.

The sample size of the research study was a bit small. A total of 52 respondents and representatives of different company sizes and sectors in Finland (Espoo, Helsinki, Mikkeli & Nokia) and Ireland (Dublin, Meath & Wexford) provided the needed information on which the analysis and the results of the study were based. All these improved the reliability of the research results and their measurement as the proper tool for evaluating data.

The sample was unbalanced as a result of the number of participants from Finland being far larger than that of Ireland, and all company sizes in Finland were well represented compared to Ireland; these should be put into consideration when generalizing the results. However, the results were rather similar even though the sample was not equal. In view of this, the results are valid and reliable for their purpose and other purposes relating to research study.

4.6 Sample description

The background information of participants in the research includes company sector, company size, company location and the channel of distribution they belonged to. All of these factors are examined below to have a clear view of the respondents;

A total of 52 respondents from both Finland (45) and Ireland (7) participated in the research. The large majority of companies that belong to the service sector (58%) dominated the research. Those who belong to “other” sectors were 33%, and those in the line of manufacturing were just 10% of the total number of respondents (see Appendix 4). Respondent’s figures in Finland were far larger than that of Ireland as a result of the companies in Finland showing more interest in participating in the research study. The fact that the field research was conducted in Finland while phone calls and emails that were used to collect data from the Irish companies might have significantly contributed to this.

Altogether there are six major regions of target in this research: two in Ireland (Dublin (6%) and Meath (6%)) and four in Finland (Tampere (8%), Turku (10%), Lahti (15%) and Joensuu (40%)). There are also single participants from other regions, such as Wexford (Ireland) and Espoo, Helsinki, Mikkeli and Nokia (Finland), which were grouped as “other” (15%) in the options (see Appendix 4). The reason behind this is that the two major regions in Ireland were areas where the case company (Innoventum Oy) might more easily enter the Irish ICT market. The four major regions in Finland were areas to where the case company could expand itself. The other regions were areas of possibility where the case company can look to in the future.

Companies from four major channels of distribution took part in the research: manufacturer/supplier (14%), wholesaler (8%), retailer (8%), agent/sales representative (10%), and other (service) 60%. A missing value (2%) was exempted in the analysis in order to focus on the main result. The company sizes were 1-5 people (33%), 5-10 people (4%), 15-20 people (12%), 20-50 people (15%) and 50 people and above (37%), which took the highest percentage share of the results (see Appendix 4). These figures are total percentages of both countries’ company sectors and channels of distribution put together. These provide a view of the whole respondents’ answers and can possibly guide the easy selection of which group the case company should focus on as a target group.

5 EMPIRICAL RESULTS

This chapter describes the research study. Five different components were selected for the research: the importance of having a website to company's marketing activities, purpose(s) the website serves a company, aspect(s) given priority on the website, criteria for selecting a website design firm and the means through which companies come in contact with web designing clients. The results of these components are presented, and in addition the empirical results of this study are followed by a summary and generalization presented in the conclusions.

5.1 Importance of having a website to company's marketing activities

It can be clearly seen from Figure 6 that having a website is very important for companies' marketing activities. The growth of modern technology and globalization has greatly enhanced the way companies do business nowadays. The border, continent and other barriers are no longer problems to the growth of business. The internet and a website have made it very easy to contact companies and buy and sell without hitch.

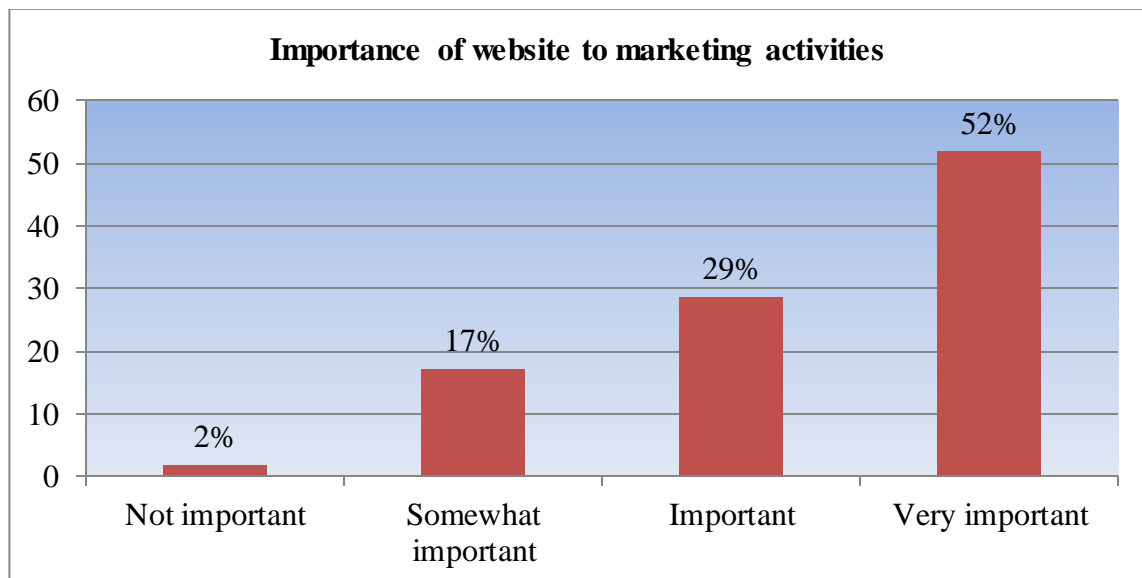


Figure 6. Importance of having a website to a company's marketing activities

Statement 1 reads, “*How important is your company website to marketing activities?*” Over 50% of the respondents answered that the website is “*very important*” to their marketing, while 29% answered chose “*important*”. This is supported by Statement 7, 8 and 9 that state how often companies update their websites and their budget for it. A large majority of the respondents updates their websites on a daily (21%) or weekly (35%) basis, thereby providing up to date information for their customers (see Appendix 7: 1-2). When asked about their budget and the amount spent on creating, developing and maintaining their websites, companies who spend between €500 - €1000 and €1000 – €5000 were 23% each, while those who spend €10,000 and more were 25% (see Appendix 5, 1-3).

When asked about how often companies get responses from customers through the information put on their website or whether they sell through it, 31% of the total respondents “sometimes” get responses from customers. 29% of the companies chose “often” and 27% chose that they regularly make sales on the website (see Appendix 8). A Chi-square test (see glossary) was conducted to see if there is any association between company size, sector and amount they spend in developing and maintaining their website. The result was that to a certain extent, there is a significant association between the size of company and amount they spend on designing the website (see appendix 5, 1/3). The larger the company size, the more they spend on their website. The only exception to this notion is that companies sized 1–5 people appeared to spend more, maybe because of pursuing company growth or selling their image to potential customers to increase their market share.

There is no significant association between company sector and the amount they spend on their website (see appendix 5, 2/3). Generally, it appeared that those in the service sector spend more (53%) than those in the production industry (10%), followed by companies in the “other” sector for example, academic, construction and horse breed etc., with a 33% in the overall percentage count. When looking at companies in this group (other), it is occupied by those whose functions are more or less service. If both numbers are added together, it will be 86%, which indicates that there is more potential in the service sector.

In summary, having a website is very important to company marketing both in Finland and Ireland. Company sizes of 1–5 people and 50 people above spend more than others. This

should be the target group for Innoventum Oy. The budget and the volume of their business turnover for web designers surpass other company sizes due to the fact that they update the website content on a weekly and daily basis.

5.2 Purpose(s) the website serves the company

Statement 4 reads *what purpose(s) does the website serves the company?* The statement is aimed at enlightening the case company more on different purposes websites serves companies (Innoventum Oy), so as to pay attention to these while rendering its service. Outstandingly, 98% of the respondents answered that the website is mainly used for *information and communicating* customers, and 89% answered they use it for *advertising and promoting* their products and services, which is partially related to giving information to the public and potential customers. Sales are also an important purpose, as websites serve as 75% of the respondents answered “yes” to the question.

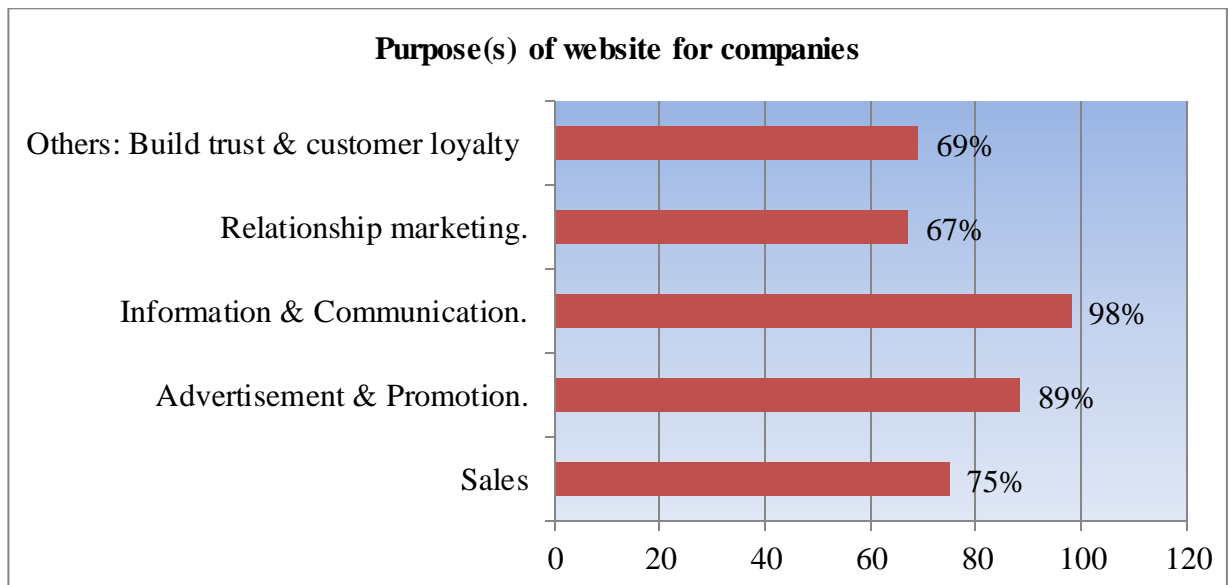


Figure 7. Purpose(s) the website serves a company

Besides the fact that most of the companies mainly use their homepage for information and communication, advertisement and promotion and sales, they also use it for other purposes, for example, to strengthen relationships with their customers and maintain their level of trust and loyalty with their customers. Attention should also be paid to these while designing the

website for the companies. Information updates keep customers attached to companies and increases their level of trust in the company, such as putting reports and latest development updates on the website for customers and investors perusal.

In summary, all the purposes for which companies use their websites should be fulfilled by the designer in styles. The layout and structure of these items on the website show the dynamics and competence of the designer. The layout and structure of the website contents shows how dynamic and competent a web designer is. It is one of the reasons why recommendation sells web designers more than any other means of marketing (e.g. information search, advertisement, offer placement etc.) according to this research. In business, the customer who enjoys good service recommends it for others as those who want to experience a product or service for the first time contacts the existing or past users.

5.3 Aspect(s) given priority on the website

Statement 5 reads *what aspect(s) do you give priority on the website?* The statement is asked to know exactly how companies want the layout of their homepage in order to know the aspects Innoventum Oy should concentrate its efforts on more in its service offering. About 92% of respondents answered that they would like their website to be informative, 85% answered they would like it to be user-friendly and 72% answered they would want it to be informative. This buttresses the point that companies mainly use their homepage for information and communication above other uses. From the picture, there is the tendency that the friendliness and attractiveness of a website can lure and stick customers to it. This might further prompt buying decisions from the customers, or at least motivate them to contact the companies to make enquiries about their offers.

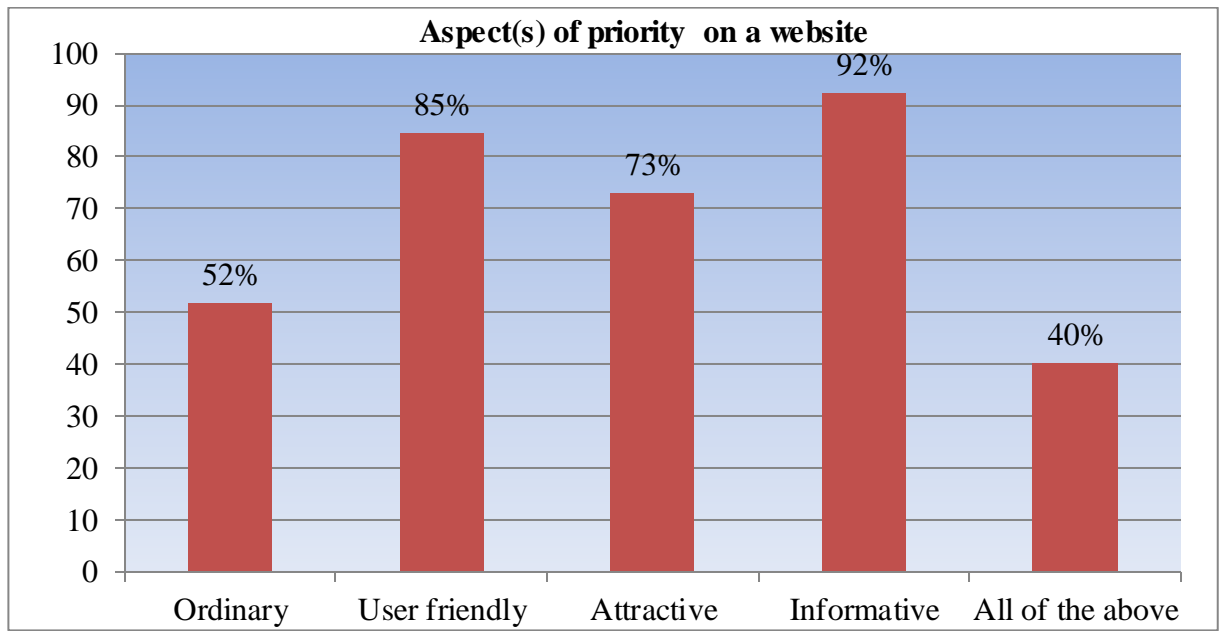


Figure 8. Aspect(s) given priority on the website

Information sharing remains the best aspect that companies give priority to when designing the structure and layout of their websites. While conducting the research and asking questions from respondents through phone calls, some of the companies replied that they do not use the website for anything other than information sharing with the public. For example, a number of construction companies both in Ireland and Finland answered that they only use their homepage for information to the public. Such companies spend less money on updating their website; they rarely get customer responses through the website and update the page's contents on annual and quarterly basis. Another construction company from Finland said that *"having a website is not so important to their business"*. These indicate that the sectors companies belong to affect the way they design their webpage.

In summary, companies in the service sector and those who regularly receive orders and enquiries through the website, for example, sales, travel agencies, hotels and schools etc. are more committed to using the website beyond information sharing. They want it to be attractive and user friendly with graphics and animations that keep visitors glued to the page. More than half (58%) of the respondents chose the "all of the above" option, meaning that all aspects of a website are more or less a priority for these companies to develop collectively.

5.4 Criteria for selecting a web designing firm

Statement 11 reads “*what are the criteria you give priority when choosing a company to develop your website?*” The question is asked to know the prerequisites with which companies select a designer for their homepage, and around 42% of respondents answered that experience/references is *very import*, 44% answered that experience/references is *important*, and 44% and 32% of the respondents answered that support service is “*very important*” and “*important*”, respectively. Price also plays a vital role in companies’ bids to select who designs their websites, but the most interesting thing is that location as criteria for selecting a web designer is not important. About 39% answered that location is somewhat important and 35% answered that it is not important. *Somewhat important* and *not important* are quite close options that do not really show the significance of something, so *very important* and *important* are also close options that signify essentiality. These options were then merged for easy analysis and conclusions as a result of their connectedness. Therefore, it can be said that companies value experience and references including support services more so than other criteria for selecting a web designer.

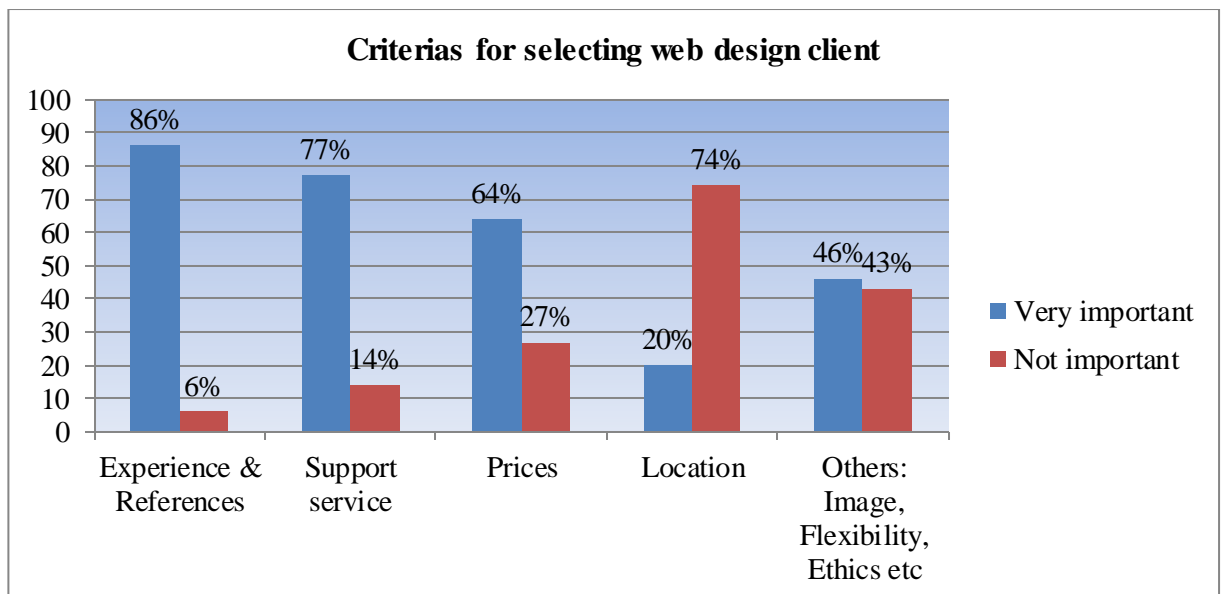


Figure 9. Criteria for selecting a web designing firm

The essence of this statement is to determine what influences the selection of a website designer, so that we know the area where to focus on more in marketing the case company to

prospective customers. The most interesting thing here is that Innoventum Oy might not even need to have a branch in Ireland if it requires more than what the company is capable of due to its size and financial strength. In this research, companies are not much concerned about where a designer comes from as long as the service offerings are good and the experience is sound. Innoventum Oy can make references to the EU projects and its already existing partnership (Meath Partnership) in Ireland to break through the market. Among other criteria, 46% of companies answered that image, flexibility and ethics are *very important* and the figure is a bit higher compared to that of location (not important). This is another indication that companies value experience/references and support service more than any other criteria in their selection of a designer.

In summary, Innoventum Oy can market itself well making references to the big projects it has executed for the EU in Ireland and public companies (Ministry of labour and University of Eastern Finland) in Finland. Besides, if it can put the previously executed projects in an attractive layout in its business portfolio on its homepage, there is possibility that it might sit here in Finland and operate in the Irish market. This is because companies really value experience/references, support service and flexibility in choosing a web designer. However, it might need a premise for administrative and accessibility purposes for quick response to market trends and local contacts for small firms.

5.5 Means through which companies contact web designing firms

Statement 10 reads, *“through what means did you come in contact with the client developing your website?”* The question is asked to know how companies find a web designer and which media more attention should be paid to when promoting the case company. The most interesting thing here is that companies market web designers to other companies through word of mouth. About 42% of the respondents answered that they got the designer of their website through recommendation. We can vividly see from Figure 10 that paying for advertisements and information search is not that effective in the web design industry. It can be said that the attractiveness and friendliness of websites, besides the graphical layout and structure of the page, prompt companies to make enquiries from their business colleagues who designed their website or directly contact the designer for offers.

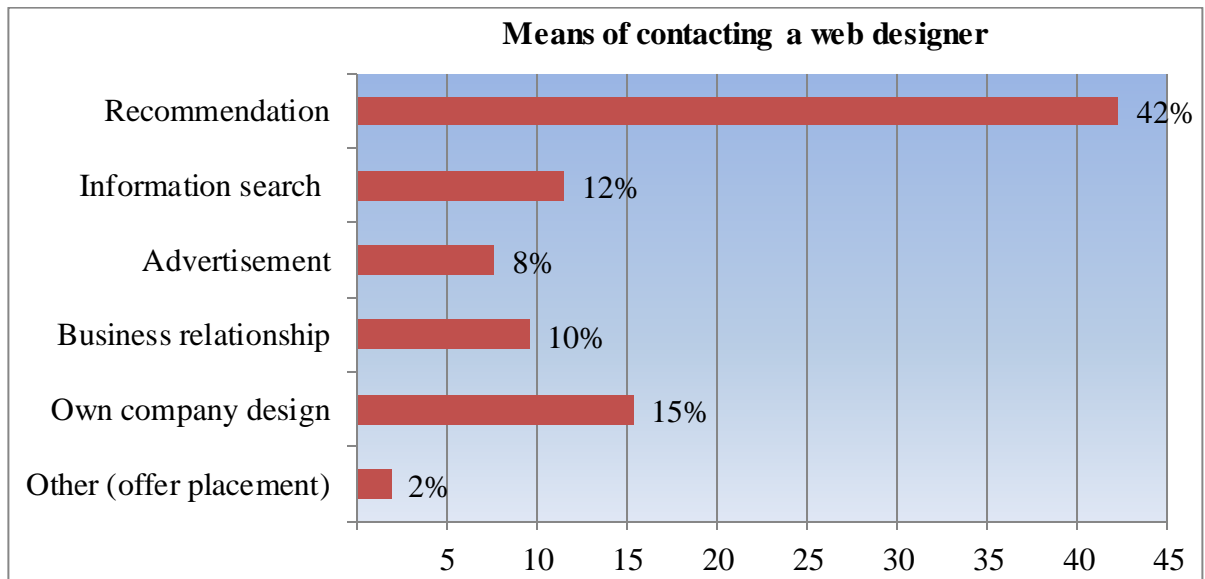


Figure 10. Means through which companies come in contact with web designing firms

In summary, this indicates that customer satisfaction is paramount to the success of companies. When customers are satisfied with an offer, they tell it to more people exactly the way they do when they are dissatisfied. The rate at information is shared when customers are dissatisfied outnumbers that of satisfaction, and what it takes to build an image requires more than what it takes to tarnish it. Keeping tab on customers and asking for feedbacks from them is highly important in these aspects. Innoventum Oy will have to invest more on relationship marketing among others and upgrade their customer relationship management (CRM) systems, as it is the main tool to win more customers in their business.

5.6 Percentage of marketing based on the website

The importance of a website to company marketing cannot be overemphasized even when it appeared that some companies only use their homepage for information sharing and nothing else. A bigger number of companies (27%) when compared with others still do marketing of about 41-60% on their website, while those who do marketing of about 21-40% on their homepage were 25%. The share of companies who also market a figure of about 0-20% on their homepage should not be overlooked. They comprised 25% of the total respondents and are placed side by side with other companies that use the homepage more for marketing purpose.

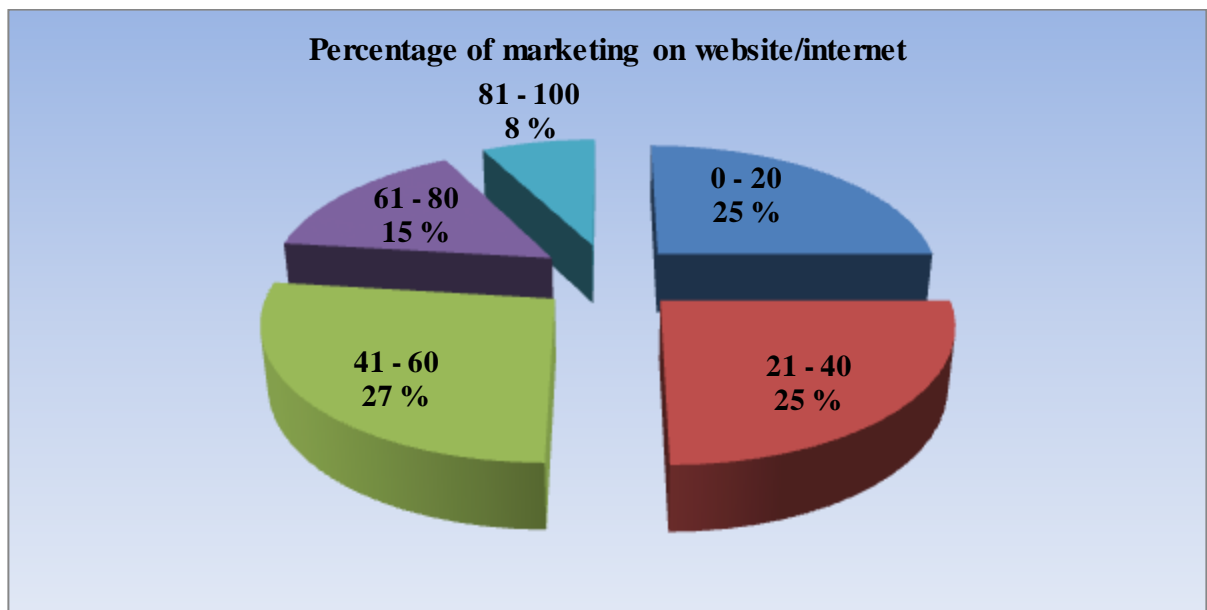


Figure 11. Percentage of marketing based on the internet

Such information indicates that the homepage alone cannot market a company when we consider the accessibility and literacy level of internet users. Companies that are looking beyond the local market need to have a homepage at least for contact purposes in the global business world. Operating beyond the shores of a country is no more a major problem when the internet could link companies and potential customers together at a faster pace and larger share. This is the reason why global companies, for example, HP, Coca-Cola, Toyota and Nike etc. have more recognition even if they do not have a base in a particular country. Entering a new market is highly facilitated by a homepage, as companies are prompted to open a new outlet when they begin to get responses from customers in countries that are not accessible, as a result of location limitations of existing channels of distribution (Albaum and Duerr 2008, 335-336).

Most sport clubs around the world reach different countries through the internet, for example, Manchester United Football Club (MUFC) of England. The club was motivated to show its recently won trophy to its fans around the world, reaching as far as most of Asian countries and South America where they do not have a branch, courtesy of the website where the fans visit to air their views and opinions showing their interest, trust and loyalty to the club. As a result, their customers as well as the sales of their souvenirs increased, besides being motivated to have the website in different languages to satisfy their supporters all over the

world. Recently, the club launched the Arabic version of their website for supporters in the Arabic speaking countries (MUFC, 2011).

In summary, having a homepage is crucial to company marketing. It facilitates business and serves as a forum where customers could relay information to a company. Companies also give feedback to customers through it. Moreover, when a new product is launched, it is first advertised on the homepage before it is available in the shops to savour the taste of customers and influence a buying decision.

5.7 Thoughts about the growth and security of e-commerce in recent years

Statement 12 reads, *“Any thoughts about the growth and security of e-commerce in your country and to your business in recent years.”* The question is deliberately asked to hear from companies what they think about e-commerce and its contribution to their businesses. The idea is to get the views of respondents on growth and to know the trend of doing business on the internet to see the future prospect of web design business in both countries of research. This question allows respondents to write in text their views and personal opinions about the growth and safety of e-commerce in recent years. The answers were then summarized into the keywords used by the respondents to be able to fit into the research for analytical purposes. It was amazing to hear when a respondent answered *“we don’t use e-commerce”* and *“...not important to our business”* in this decade of modern technology. It is due to the sector where they belonged, for example construction companies, which might not be a profitable one to target.

Table 8. Thoughts about the growth and security e-commerce

Thoughts about e-commerce growth and security	Percent	Cumulative percentage
No idea	12	12
We don’t use e-commerce	2	14
Growing but not important to our business	14	27
Most important way of doing business	15	42
Growing & Safe	29	71
Undecided	29	100
Total	100	

However, attention should be focused on those who answered “*Most important way of doing business*” and “*Growing & Safe*”. The former took 15% and the latter took approximately 29%. Respondents who were grouped as “*undecided*” either decided to ignore the question or don’t have anything to say on the statement. In brief, we can say that e-commerce is really growing and very safe for business. Companies like e-bay and Google do their business mostly on the internet. For example, in Finland most of what is not available in shops is bought on the internet and are safely delivered to buyers. It will not be a surprise to see companies investing more on their website as it seems marketing on it is economical and effective.

5.8 Uses of online video content on the website

Statement 6 reads, “*Do you use, or would you like to use online video content as part of your marketing and/or customer communications*” is asked to know the additional services (added value) companies want on their homepage and are willing to pay for. Respondents who answered “*Yes*” to the question accounted for 62%, while those who answered “*No*” amounted to 33% of the total respondents. Having videos on the website to show customers what services look like often prompt a positive response from customers. This is the main reason why companies in the automotive industry, tourism and hotel operators etc. use this service more on their website. It is the user friendly aspect that enlightens customers beforehand how to use a product or service. Besides, it helps companies to get feedback from customers on how to modify a product or service or possibly add optional services customers might be willing to pay for.

Table 9. Use of video content on the website

Use of video content on website	Percent	Cumulative Percent
No	33	88
Yes	62	94
Undecided	6	100
Total	100	

In brief, seeing is said to influence a belief and also creates an experience. Companies who use videos on their website stand a chance of getting responses from visitors, besides winning

customers' heart for a company if there is a total conviction. This service can be used to convince customers and lured them into buying and using a product. Nevertheless, companies who use the service should make sure what they showed to customers in the videos matches the real product or service offering, if they do not want customers to have a negative image about them. It is one of the deceptive practices companies use to deceive customers and force a sale, but could also be a cutting edge for those companies who are loyal to their customers.

5.9 Channel of distribution companies belong

This section is aimed at seeing if there is an opportunity in certain channel for distribution to explore. However, results obtained from the research show that there is no promising market potential in channels of distribution. A large majority of the channel members do their marketing together with manufacturer/supplier. That is why companies that belonged to “*other*” in this category take the largest percentage share (approx.57%) of the total responses. This category is occupied by companies in the service sector, e.g. construction, hotel, freight forwarding and event planning companies etc.

Table 10. Channel of distribution

Channel of distribution	Percent	Cumulative Percent
Manufacturer/Supplier	12	14
Wholesale	8	21
Retail	8	29
Agent/Sales representative	10	39
Other (service)	60	98
Missing	2	100
Total	100	

In summary, we could say that the marketing of distribution channels are mainly done from the above, because of their dependency on the producer. Even if they appear to spend on having a website, it will be partly or largely sponsored by the producer as they influence or decide the information that is put on the website. Therefore, focusing on companies in the other category (service sector) will be the best option and profitable venture for the case company.

5.10 Further explanations

The outcome of this research shows that there are more opportunities for the case company (Innoventum Oy) in the business of website design both in Finland and Ireland. Companies in both countries have answered the questionnaires separately and confidentially, but the same results were produced. The results received from both countries are quite similar since the research problem is a general issue that concerns companies irrespective of their background and where they come from. Regarding having a website, the use is more or less the same for companies everywhere in the world, sharing information and marketing companies to the outside world.

A total of 52% of the respondents answered that the website is very important for company marketing, and 29% replied that it is important (see Figure 6). A large majority of the total respondents showed their willingness to invest more in their homepage as it is more effective in the marketing of their company compared to other means (TV, radio, print media etc.) of advertisement. 35% of respondents replied that they update their website on a weekly basis, while 21% update their website on daily basis (see Appendix 10). The figures when put together showed that more than half of the total respondents make changes to their websites frequently. When companies were asked about their thoughts on e-commerce to know the future prospects of web designing business, 29% answered that doing business through the internet is growing and safe, 15% said that it is the most important way of doing business, while 26.9% said it is growing but not important to their business and only 2% say they do not use e-commerce (see Appendix 11).

Companies who spend around €10,000 or more annually on designing and maintaining their website were 25% and those who spend between €500 – €1000 and €1000 – €5000 were 23% each, meaning that over 71% of the whole respondents spend more on the website especially company sizes of 1-5 people and 50 people above. These groups are still willing to spend more as shown in their budgets (see Appendix 5, 1 & 3). In addition, 27% of the respondents do marketing of up to 41–60% on their website, 25% replied that 21–40% of their marketing is based on website, while 25% also use market about 0-20% on their website (see Appendix 9). Companies in the service sector took the edge in spending with 58% compared to 33% of

other sectors such as academic and construction etc. and only 10% in manufacturing. When companies were asked the purpose for which the website is mostly used, almost 100% (98%) answered that they use the website for information and communication, 89% of the respondents answered that they use it for advertising and promotion and 75% replied that they use the website to make sales among others, which showed the main purposes why companies have their website.

More than 90% (92%) replied that they would want the website to be informative, 85% answered that they would like it to be user friendly, 73% want it to be attractive among others and 58% chose “all of the above”. These give us the knowledge of what companies are really looking for and the aspect(s) they prioritize when they are designing a homepage. As a designer, it enlightened about how a website should be structured to match the requirements and tastes of companies. A web designer that can dynamically put these together stands a better chance of being chosen above others, as indicated in the research that experience and references is the main criteria that is considered when choosing a designer for companies’ websites.

About 42% of respondents answered that experience/reference is very important to them when selecting a designer for their website. 44% mentioned support service, and 35% chose price as a criteria. 31% mentioned that image, flexibility and business ethics is important, and amazingly 39% and 35% answered that location is “somewhat” or “not important” as a criterion to be considered when selecting a web designer. The emphasis here is that where a designer is located whether local or abroad does not matter when selecting a web designer, as long as other criteria are met. The point is that it is possible for Innoventum Oy to do business in any country without even having a base there, in as much as there are references to other projects done for clients in a particular country. This provides a boost for the company that huge investment such as getting a premise in a foreign country and other expenses can be cut back if necessary.

The web design business is one of those businesses where word of mouth matters most in their marketing. The result showed that companies contact web designers through “recommendation”, as companies need testimonies from old users to make their decision. 42%

of the total respondents answered that they got the designer of their homepage through recommendation from a third party. 12% got the designer of their homepage through information searches (online and directory etc.), and 15% designed their own website themselves. Advertisement as a means of getting a web designer is not an effective means in this business. Only 8% of respondents chose the option as a means through which they come in contact with the designer of their homepage.

Companies who want to pay for additional services like showing videos on their website for their customers to see their activities are over 60% (62%). Contrastingly, companies who belong to a channel of distribution e.g. manufacture/supplier, wholesale, retailer etc. are not promising in the web design business (see Appendix 6). Those that belonged to “other” in the options, i.e. “service” took the largest percentage share (60%), which also confirms the potential of targeting the service sector more than those in production. Nevertheless, the results so far proved that web design business is lucrative in regards to the present level of technology, and that there are more opportunities for Innoventum Oy, both in Finland and Ireland (Abroad). As a result, the company would need to invest in relationship marketing (Kotler and Armstrong 2001, 667-675). The company also needs to upgrade its customer data base or adopt CRM software to monitor its customers and keep in contact with them, because they are an indispensable marketing tool for its success.

6 CONCLUSIONS

The results of the problems of the research were summarized and conclusions made based on the answers provide by the respondents and the analysis of their answers in this chapter. Certain recommendations are then given to the case company Innoventum Oy, and suggestions for future research on related topics were provided. The findings of this study are based on the components and measurements of the role of the website in company marketing instruments used in testing how companies use their homepage and their budget for it.

There are five main components selected for the research: the importance of having a website to company's marketing activities, the purpose(s) the website serves the company, the aspect(s) given priority on the website, the criteria for selecting a website designer and the means through which companies come into contact with web designing clients. It consists of six dimensions which generally describe the role of a website in company marketing. The dimensions describe the Finnish and Irish companies' preferences for website design, which could contribute to the market entry planning process and business operations in both the new and existing markets. The dimensions are an effective tool for solving the research problems, as they generate the best marketing technique in the web design business, the layout preference of a website and the potential target group to focus on when marketing the case company (Innoventum Oy).

The most profitable target segment is the service sector with a high volume of business turnover resulting from the high internet use in their business. Their business is majorly based on the internet and they use their website as the main marketing tool to reach their prospects. Company sizes of 1-5 people (33%) and 50 people above (37%) have more potential than other sized companies with regards to the huge budget set aside for the design and maintenance of their homepage (see Appendix 5, 1 & 3). Innoventum Oy should capitalize on its experience in making references to the huge projects it has accomplished for the EU and public companies both in Finland and Ireland (Abroad).

Companies want their websites to be informative, attractive and user friendly above all other aspects. The results show that companies' preferences irrespective of their countries of origin

are the same in this type of business (see Appendix 12, 1-3). There is the possibility that Innoventum Oy could operate within the EU region directly from Finland if its operation and service packages are well planned, as location is not as important as experience and references in the selection of web designers (see Figure 9). However, there might be the need to be closer to the market by opening a premise in the new market for accessibility and administrative purposes.

6.1 Recommendations

This part presents some recommendations for the case company Innoventum Oy on observations and results of the research. Both the Finnish and the Irish companies are very similar in their choice of web designers, including the layout and structure preferences of their websites. To be able to succeed in the web design business and most especially in the new market (Irish ICT market), it is highly recommended for Innoventum Oy to match the Irish competitor's offering by having a well-defined service package, for example, starter, brochure, e-commerce and interactive web design styles, so as to provide varieties of choice to prospective customers in the country, even in Finland and the EU region at large. The inclusion of some applications into its product and service package, for example a site survey that enables a visitor to examine a website or a flag counter that makes it possible for companies to track the number of people who are visiting their homepages on daily basis would be a good idea.

The company should also adapt its service to customers' preferences based on their aspects of priority indicated in the results. It is also recommended for the company to adopt a relationship marketing strategy and invest in customer relationship marketing (CRM) tools to track its customers and give updates to them, because of the crucial role they play in getting new customers, as shown in the findings of this study. Innoventum Oy could partner with the EU for marketing in the Irish ICT market to sell its image more. It should also utilize the advantage of an insider, the Meath partnership and possibly cooperate or do joint marketing with them. These will remove entirely or minimize the obstacles that can serve as barriers to its entry into Ireland.

The company also needs to expand its scope of business and improve its marketing to a higher level by trying the possibility of targeting larger companies. The study showed that the success of a company does not depend mainly on its size. Companies rarely use the size of a company as the yardstick for choosing a designer for their website. Rather, they prioritize experience and references, support service, image, flexibility and ethics of the web design expert over other criteria for selection. Price is also one of the criteria but quality and budget can shift attention away from it. Irish business partners are very price sensitive, inflation of price could hamper business operation. Nevertheless, it will be better if Innoventum Oy could set its price within the range of the market price to raise its image to the level of the competitors.

6.2 Suggestions for future research

This study investigated and compared the importance of having a website to company marketing in both Finland and Ireland. It also examined the criteria for selecting a web designer and the means of coming in contact them. However, there are still some areas that need to be covered, in order to go deeper into the topic. As a result, this section describes some suggestions for future researches.

The questionnaire only covered the main research problems, but the breakdown of the questions into detailed parts, for example, company income and the price paid to web designers at a go etc. could help get more information on the study. A large participation of companies is required, particularly in Ireland, with all company sectors and sizes well represented to produce a balanced result for generalization. The method of data collection might have affected the number of respondents from Ireland. There is the need to do a field research also in Ireland to avoid any bias that may have set in. There could be other effective ways of collecting data from companies, as many of them were unwilling to give more information that could have helped in this study.

Companies hardly respond to surveys or create time to take part in research, especially when it is not related to their field of business. When conducting this research the second time, it would be a good idea to establish the validity and reliability of the result since there is no knowledge of previous research on related topics. The collection of data from more regions of

both countries will give a wider view on the research topic. The method of this research is a quantitative method. Testing the result on all fronts by using a qualitative research method also can prove the genuineness of the result if similar results show up when using different methods.

There are several possibilities for new topics, such as website as a tool for measuring the growth of a company, the internet as a means of entering a new market and strengthening the customer base, determining the percentage contribution of the website to company's revenue, and examining how possible a modern day business can succeed without having a website. By so doing, more insight would be gained into this topic and better conclusions and judgments can be made for users of the results.

7 SUMMARY

The importance of having a website for company marketing cannot be overemphasized. This chapter is aimed at briefing the results of the study in order to have a clear understanding. The case company Innoventum Oy should repackaging and rebrand its product and service package for the Irish ICT market by paying attention to aspects of priority for companies when designing a website, so as to tailor its offerings to customers' taste and as well differentiate itself from the competitors. The company should try as much as possible to strengthen its relationship with its customers, as it was proven in this study that companies recommend web designers to other companies.

Innoventum Oy can either enter the Irish ICT market by opening a branch in the country or adopt a strategic alliance with its Meath colleague or partner with the EU as a mode of entering the market. It should also make references to projects that have been previously executed for different organizations in both countries. As presented in the theoretical part of this study, there are several groups of competitors with well defined service and product packages that are already serving Irish customers. Most of them have dynamic products and services that might be a bit difficult to outpace with their rich experiences in the market. Therefore, Innoventum Oy will need to come up with a good marketing plan that can be used not only in Finland and Ireland but in the EU regions and Europe at large.

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APPENDICES

Centre for Design and International Business
Sirkkalantie 12 A
FI-80100 Joensuu
Finland.

May 2011

Dear Sir/Madam,

I am **Saheed Olawale Abari**, a final year International Business student at the Centre for Design and International Business, North Karelia University of Applied Sciences, Joensuu, Finland. In order to complete my study and get my Bachelor Degree (BBA) honour, I am carrying out a research both in Finland and Ireland on;

- 1. The role of website in company's marketing.**
- 2. The prerequisites for choosing an IT company to develop a website.**

I need your help to complete an online questionnaire to gain more information on the research topic. Below is the link to the survey;

Your answers are confidential and the data collected will only be used for my research purposes. Attached to this questionnaire is a letter from my school certifying my studentship and the purpose of this research subject.

No information will be revealed to outsiders, institutions or organizations. If you have any question about the privacy of your answers, please do not hesitate to contact me.

I am really grateful for your anticipated cooperation and understanding. Thank you.

Kind regards,

Saheed Olawale Abari (Mr)
International Business
Centre for Design and International Business
North Karelia UAS
Joensuu, Finland.
GSM: +358449603352
Email: saheed.abari@edu.ncp.fi



17.12.2010

TO WHOM IT MAY CONCERN

This is to certify that Abari Saheed is student of the degree programme in International Business at the North Karelia University of Applied Sciences, Joensuu, Finland. As a part of his studies, he will carry out a market research in Finland and Ireland. This research will be reported as his Bachelor thesis.

If there are any questions concerning Abari's studies or his research, I am pleased to provide further information.

Your sincerely,

Ari Stenroos

Tutor teacher in International Business

North Karelia University of Applied Sciences

Tel. +358-50-5632182

Ari.Stenroos@pkamk.fi



Questionnaire

*** Required**

1. How important is having your company website to marketing activities? *

- ☐ 1. Not important
- ☐ 2. Somewhat important
- ☐ 3. Important
- ☐ 4. Very important

2. What percentage of your marketing is based on the website/internet? *

- ☐ 1. 0 - 20%
- ☐ 2. 21 - 40%
- ☐ 3. 41- 60%
- ☐ 4. 61 - 80%
- ☐ 5. 81 - 100%

3. How often do customers respond (contact) to marketing and advertisements on your website? *

- ☐ 1. Never
- ☐ 2. Rarely
- ☐ 3. Sometimes
- ☐ 4. Often
- ☐ 5. Regularly

4. What purpose(s) does the website serves the company? *

Please, choose "Yes" or "No" for each field

	0 = no	1 = yes
1. Sales	<input type="radio"/>	<input type="radio"/>
2. Advertisement & Promotion	<input type="radio"/>	<input type="radio"/>
3. Information & communication	<input type="radio"/>	<input type="radio"/>
4. Relationship Marketing	<input type="radio"/>	<input type="radio"/>
5. Others (Build trust, customer loyalty etc)	<input type="radio"/>	<input type="radio"/>

5. What aspect(s) do you give priority on the website? *

0 = no 1 = yes

1. Ordinary	<input type="radio"/>	<input type="radio"/>
2. User friendly	<input type="radio"/>	<input type="radio"/>
3. Attractive	<input type="radio"/>	<input type="radio"/>
4. Informative	<input type="radio"/>	<input type="radio"/>
5. All of the above	<input type="radio"/>	<input type="radio"/>

6. Do you use, or would you like to use online video content as part of your marketing and/or customer communications? *

- ☐ Yes
- ☐ No

7. How often do you update the contents of your website? *

- ☐ 6. Daily
- ☐ 5. Weekly
- ☐ 4. Monthly
- ☐ 3. Quarterly
- ☐ 2. Annually
- ☐ 1. Other: when necessary

8. What is the annual budget for your on-line marketing, including costs related to maintenance and development of your website, content production, and advertising on external websites? *

- ☐ 1. 0 - 500
- ☐ 2. 501 - 1000
- ☐ 3. 1001 - 5000
- ☐ 4. 5001 - 10 000
- ☐ 5. 10 000 or more

9. If you were to create a new website (including the graphical design, the production and possible functionality such as a Content Management System) for your company, what would be your budget ? *

- ☐ 1. 0 - 500
- ☐ 2. 501 - 1000
- ☐ 3. 1001 - 5000
- ☐ 4. 5001 - 10 000
- ☐ 5. 10 000 or more

10. Through what means did you come in contact with the client developing your website? *

- ☐ 6. Recommendation
☐ 5. Information Search (online, directories, etc)
☐ 4. Advertisement
☐ 3. Business relationship
☐ 2. Own company design
☐ 1. Other: Offer placement

11. What are the criterias you give priority when choosing a company to develop your website? *

Please, mark one option in each field.

	1. Not Important	2. Somewhat Important	3. Important	4. Very Important
1. Experience /References	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Support service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Prices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Location	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Others (Image, Flexibility, Ethics etc)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. Any thoughts about the growth and security of e-commerce in your country in recent years?

Please describe how you see the importance of e-commerce in your country and to your own business.

13. Background Information *

Company sector

- ☐ 1. Industry (production)
☐ 2. Service
☐ 3. Other

14. To what channel of distribution does the company belong? *

- ☐ 1. Manufacturer/Supplier
☐ 2. Wholesale
☐ 3. Retail
☐ 4. Agent/Sales Representative
☐ 5. Other: Academic, Construction, Telecommunication, Sales, Publishing etc.

15. Company size *

- ☐ 1. 3-5 people
- ☐ 2. 5-10 people
- ☐ 3. 15-20 people
- ☐ 4. 20-50 people
- ☐ 5. 50 people above

16. Company location(s) *

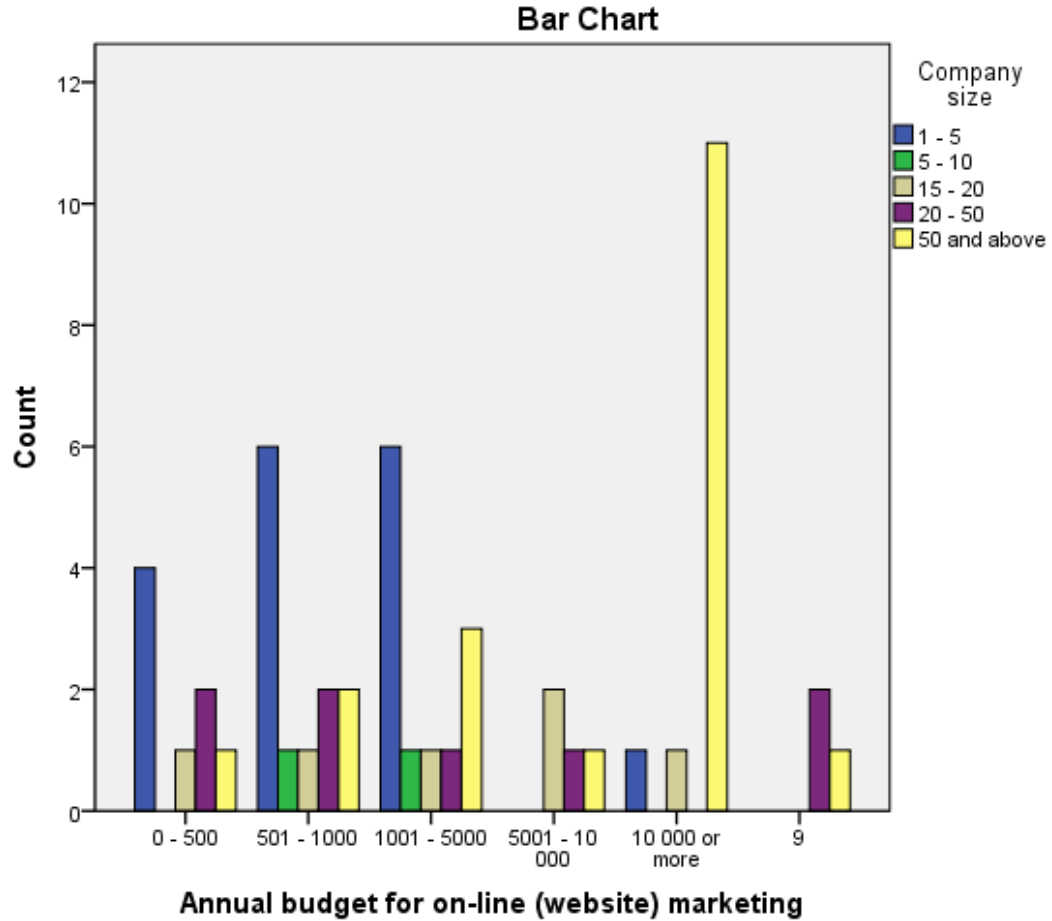
This questionnaire is sent to companies in different regions both in Ireland and Finland. Please, specify the location(s) of your company.

- ☐ 1. Dublin, Ireland
- ☐ 2. Meath, Ireland
- ☐ 3. Tampere, Finland
- ☐ 4. Turku, Finland
- ☐ 5. Lahti, Finland
- ☐ 6. Joensuu
- ☐ 7. Other: Espoo, Helsinki, Mikkeli, Nokia, Finland & Wexford, Ireland.

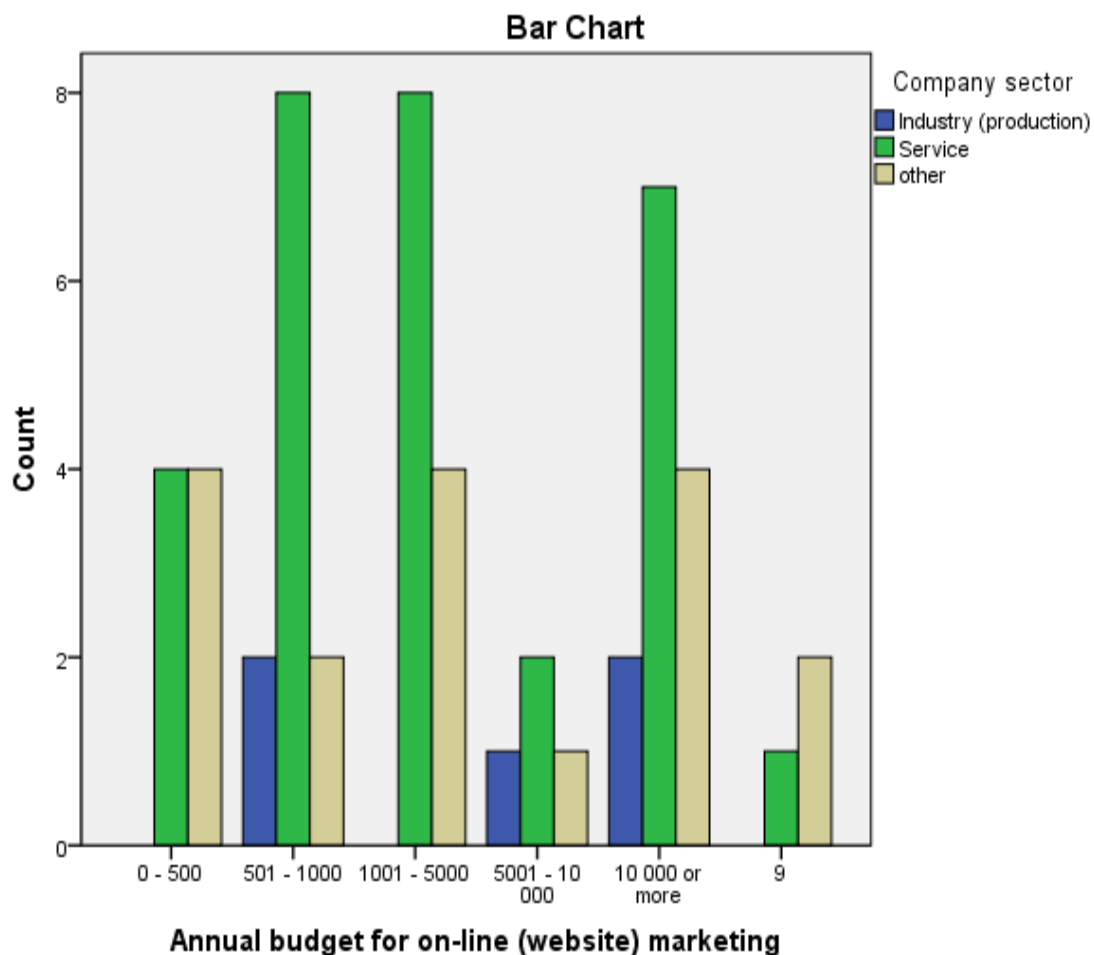
Powered by [Google Docs](#)

Sample description

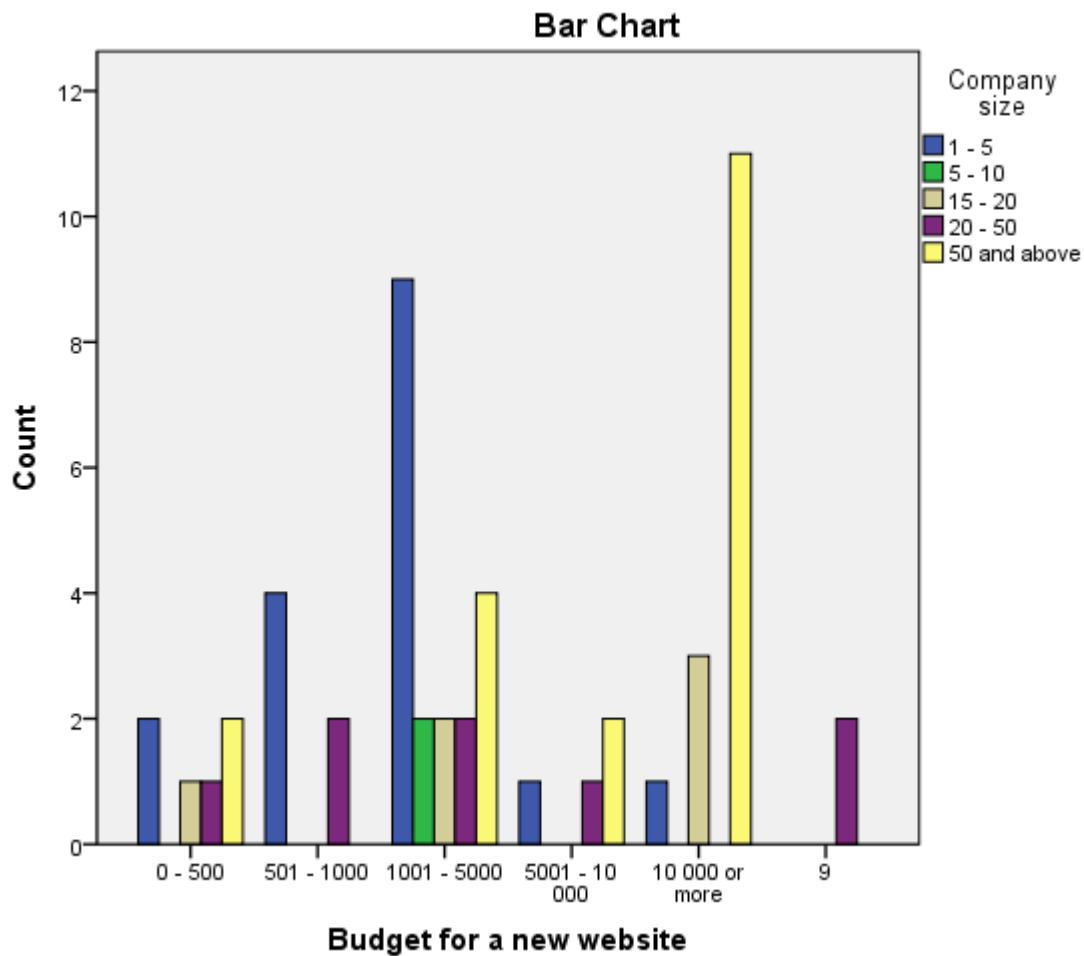
Respondents info	Options	Frequency	Ireland	Finland	Total
Company sector	Industry (Production)	5	(2) 4%	(3) 6%	10%
	Service	30	(2) 4%	(28) 54%	58%
	Other	17	(3) 6%	(14) 27%	33%
					100%
Channel of distribution	Manufacturer/Supplier	7	(0) 0%	(7) 14%	14%
	Wholesaler	4	(0) 0%	(4) 8%	8%
	Retailer	4	(1) 2%	(3) 6%	8%
	Agent/Sales representative	5	(0) 0%	(5) 10%	10%
	Other	31	(6) 12%	(25) 48%	60%
	Missing	1	(0) 0%	(1) 2%	2%
					100%
Company size	1-5	17	(3) 6%	(14) 27%	33%
	5-10	2	(0) 0%	(2) 4%	4%
	15-20	6	(1) 2%	(5) 10%	12%
	20-50	8	(1) 2%	(7) 14%	15%
	50 and above	19	(2) 4%	(17) 33%	37%
					100%
Company location	Dublin, Ireland	3	(3) 6%	-	6%
	Meath, Ireland	3	(3) 6%	-	6%
	Tampere, Finland	4	-	(4) 8%	8%
	Turku, Finland	5	-	(5) 10%	10%
	Lahti, Finland	8	-	(8) 15%	15%
	Joensuu, Finland	21	-	(21) 40%	40%
	Other	8	(1) 2%	(7) 14%	15%
					100%



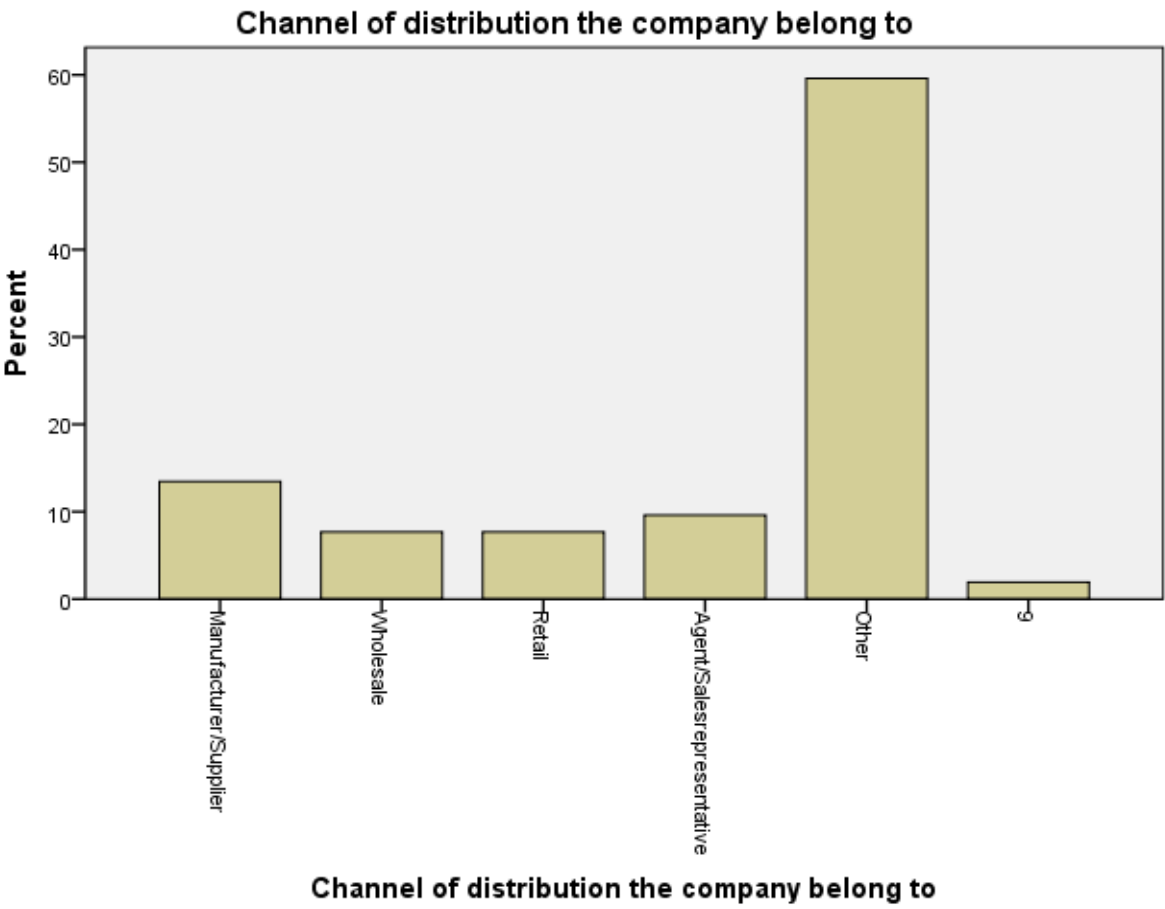
Chi-Square Tests			
	Value	df	Sump. Sig. (2-sided)
Pearson Chi-Square	35,528	20	0,017
Likelihood Ratio	35,55	20	0,017
Linear-by-Linear Association	10,226	1	0,001
N of Valid Cases	52		
a. 30 cells (100,0%) have expected count less than 5. The minimum expected count is ,12.			

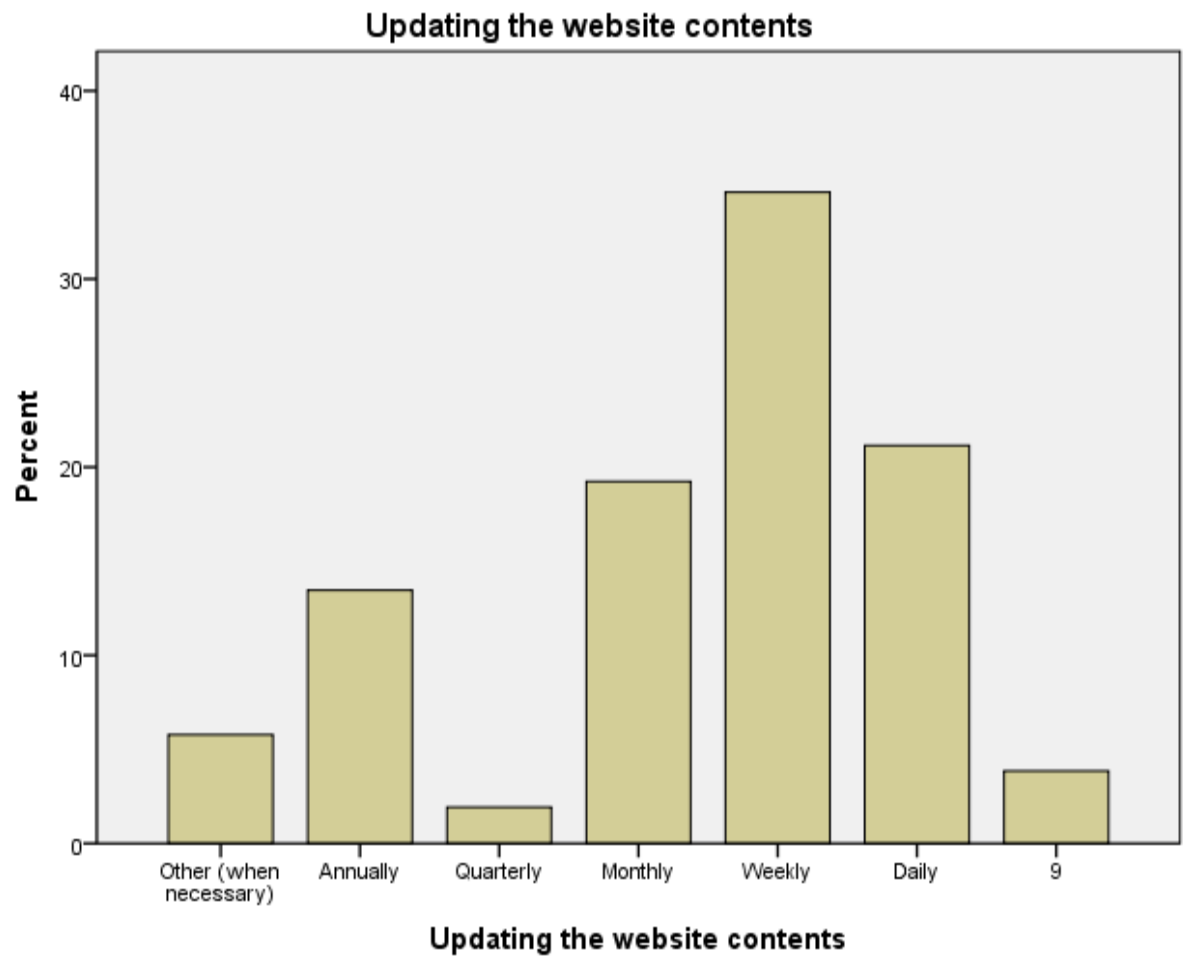


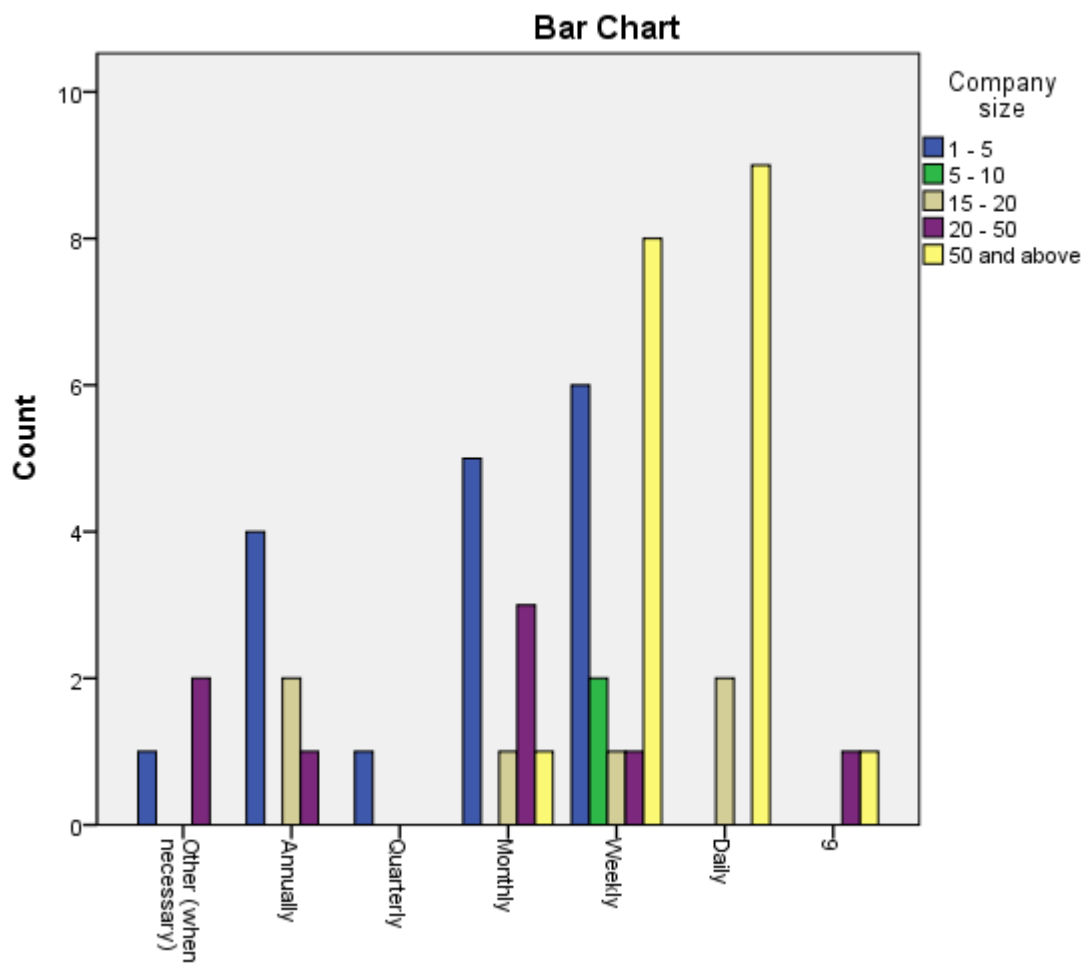
Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7,890	10	,640
Likelihood Ratio	9,526	10	,483
Linear-by-Linear Association	,152	1	,697
N of Valid Cases	52		
a. 15 cells (83,3%) have expected count less than 5. The minimum expected count is ,29.			



Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	36,501	20	,013
Likelihood Ratio	38,428	20	,008
Linear-by-Linear Association	6,387	1	,011
N of Valid Cases	52		
a. 27 cells (90,0%) have expected count less than 5. The minimum expected count is ,08.			



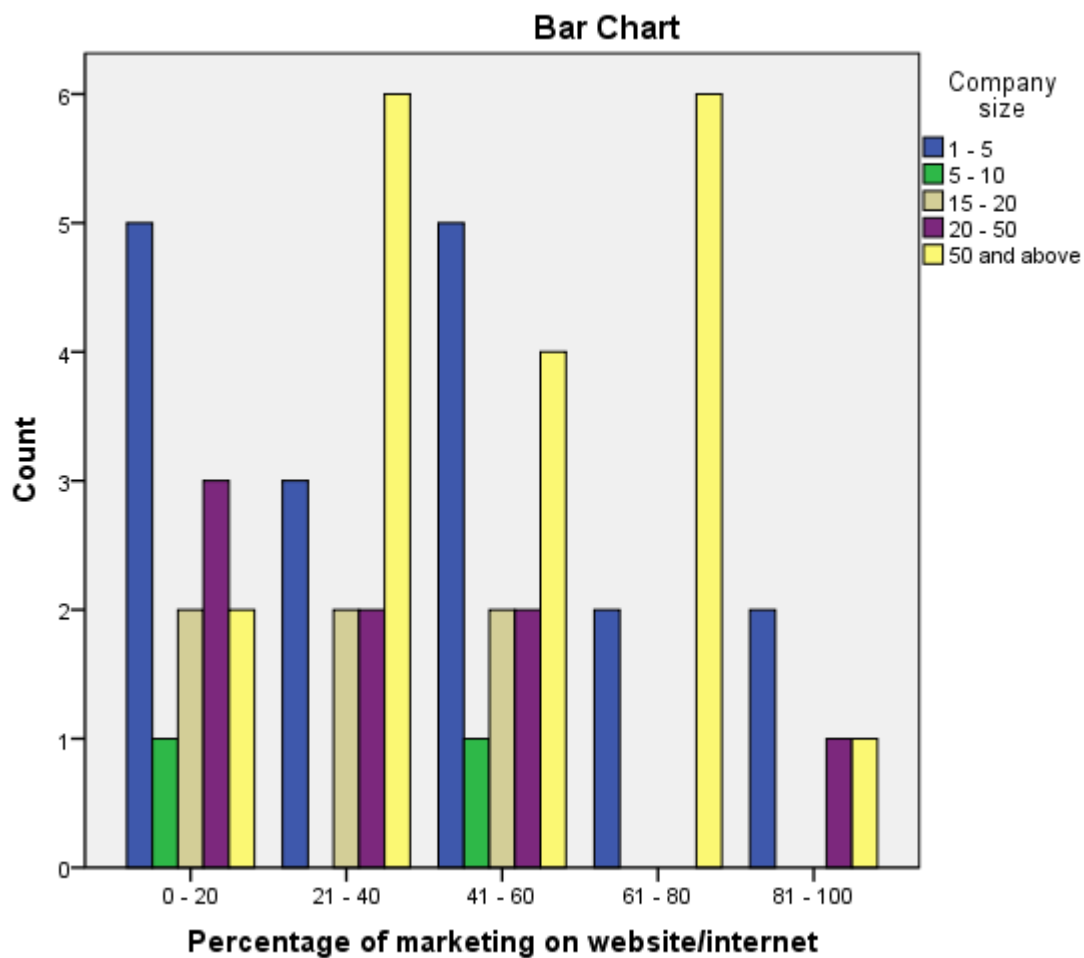




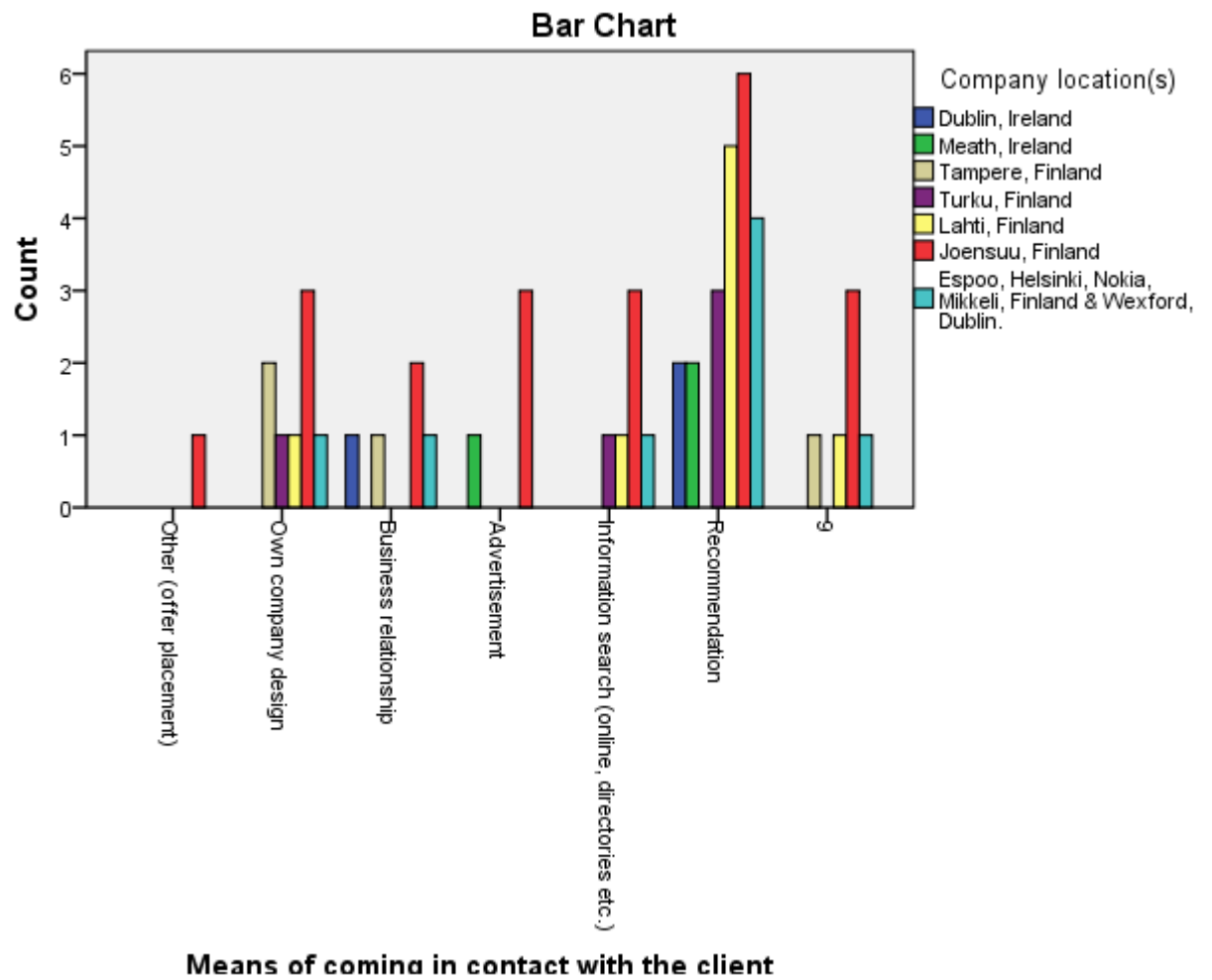
Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	38,647 ^a	24	0,03
Likelihood Ratio	44,89	24	0,006
Linear-by-Linear Association	9,141	1	0,002
N of Valid Cases	52		
a. 33 cells (94,3%) have expected count less than 5. The minimum expected count is ,04.			

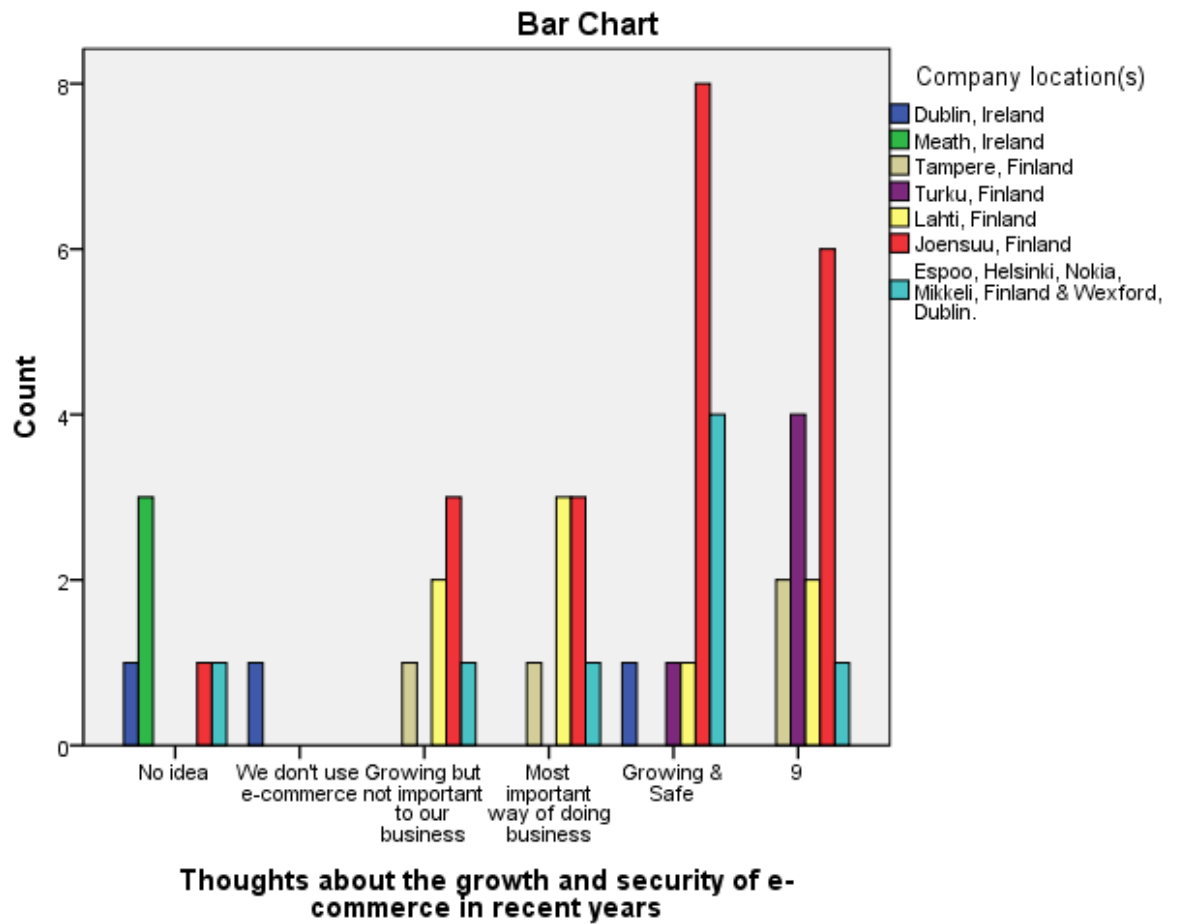
Customers response through website * Company sector Crosstabulation							
Count							
		Company sector			Total	Percentage	Cumulative %
		Industry (production)	Service	other			
Customers response through website	Never	0	0	1	1	2	2
	Rarely	1	2	3	6	12	14
	Sometimes	2	9	5	16	31	44
	Often	2	9	4	15	29	73
	Regularly	0	10	4	14	27	100,0
Total		5	30	17	52	100,0	

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5,963 ^a	8	0,651
Likelihood Ratio	7,411	8	0,493
Linear-by-Linear Association	0,199	1	0,655
N of Valid Cases	52		
a. 11 cells (73,3%) have expected count less than 5. The minimum expected count is ,10.			



Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12,248 ^a	16	0,727
Likelihood Ratio	15,18	16	0,512
Linear-by-Linear Association	0,462	1	0,497
N of Valid Cases	52		
a. 24 cells (96,0%) have expected count less than 5. The minimum expected count is ,15.			





Correlations						
		Importance of website to marketing activities	Means of coming in contact with the client developing the website	Thoughts about the growth and security of e- commerce in recent years	Budget for a new website	Company location(s)
Importance of website to marketing activities	Pearson	1	,114	,013	,186	-,145
	Correlation					
	Sig. (2-tailed)		,426	,925	,190	,311
	N	51	51	51	51	51
Means of coming in contact with the client developing the website	Pearson	,114	1	-,035	,361**	,071
	Correlation					
	Sig. (2-tailed)	,426		,806	,009	,619
	N	51	51	51	51	51
Thoughts about the growth and security of e-commerce in recent years	Pearson	,013	-,035	1	,071	,183
	Correlation					
	Sig. (2-tailed)	,925	,806		,618	,200
	N	51	51	51	51	51
Budget for a new website	Pearson	,186	,361**	,071	1	-,003
	Correlation					
	Sig. (2-tailed)	,190	,009	,618		,982
	N	51	51	51	51	51
Company location(s)	Pearson	-,145	,071	,183	-,003	1
	Correlation					
	Sig. (2-tailed)	,311	,619	,200	,982	
	N	51	51	51	51	51

** . Correlation is significant at the 0.01 level (2-tailed).

Correlations

		Aspect(s) given priority on the website/O rdinary	Aspect(s) given priority on the website/At tractive	Aspect(s) given priority on the website/U ser friendly	Aspect(s) given priority on the website/In formative	Aspect(s) given priority on the website/Al l of the above	Company location(s)
Aspect(s) given priority on the website/Ordinary	Pearson Correlation Sig. (2-tailed) N	1 51	,884** 51	,903** 51	,896** 51	,968** 51	-,189 51
Aspect(s) given priority on the website/Attractive	Pearson Correlation Sig. (2-tailed) N	,884** 51	1 51	,951** 51	,932** 51	,931** 51	-,255 51
Aspect(s) given priority on the website/User friendly	Pearson Correlation Sig. (2-tailed) N	,903** 51	,951** 51	1 51	,945** 51	,922** 51	-,197 51
Aspect(s) given priority on the website/Informative	Pearson Correlation Sig. (2-tailed) N	,896** 51	,932** 51	,945** 51	1 51	,922** 51	-,154 51
Aspect(s) given priority on the website/All of the above	Pearson Correlation Sig. (2-tailed) N	,968** 51	,931** 51	,922** 51	,922** 51	1 51	-,213 51
Company location(s)	Pearson Correlation Sig. (2-tailed) N	-,189 51	-,255 51	-,197 51	-,154 51	-,213 51	1 51

** . Correlation is significant at the 0.01 level (2-tailed).

Correlations							
		Criteria given priority when choosing a company to develop the website/E xperience, Reference s	Criteria given priority when choosing a company to develop the website/S upport service	Criteria given priority when choosing a company to develop the website/Pr ices	Criteria given priority when choosing a company to develop the website/L ocation	Criteria given priority when choosing a company to develop the website/l mage, Flexibility, Ethics etc.	Company location(s)
Criteria given priority when choosing a company to develop the website/Experienc e,References	Pearson Correlation Sig. (2-tailed) N	1 51	,841** 51	,793** 51	,844** 51	,725** 51	,178 51
Criteria given priority when choosing a company to develop the website/Support service	Pearson Correlation Sig. (2-tailed) N	,841** 51	1 51	,912** 51	,845** 51	,769** 51	-,069 51
Criteria given priority when choosing a company to develop the website/Prices	Pearson Correlation Sig. (2-tailed) N	,793** 51	,912** 51	1 51	,854** 51	,768** 51	-,034 51
Criteria given priority when choosing a	Pearson Correlation Sig. (2-tailed)	,844** 51	,845** 51	,854** 51	1 51	,777** 51	-,003 51

companyto develop the website/Location	N	51	51	51	51	51	51
Criteria given priority when choosing a companyto develop the website/Image, Flexibility, Ethics etc.	Pearson Correlation Sig. (2-tailed) N	,725** ,000 51	,769** ,000 51	,768** ,000 51	,777** ,000 51	1 51	-,043 ,765 51
Company location(s)	Pearson Correlation Sig. (2-tailed) N	,178 ,211 51	-,069 ,629 51	-,034 ,815 51	-,003 ,986 51	-,043 ,765 51	1 51

** . Correlation is significant at the 0.01 level (2-tailed).



Map of the Republic of Ireland.